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**STANDING COMMITTEE ON FOOD,
CONSUMER AFFAIRS AND
PUBLIC DISTRIBUTION
(2006-07)**

(FOURTEENTH LOK SABHA)

**MINISTRY OF CONSUMER AFFAIRS,
FOOD AND PUBLIC DISTRIBUTION
(DEPARTMENT OF CONSUMER AFFAIRS)**

CONSUMER MOVEMENT IN THE COUNTRY

TWENTIETH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

June, 2007/ Asadha, 1929 (Saka)

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(DEPARTMENT OF CONSUMER AFFAIRS)

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Presented to Lok Sabha on

Laid in Rajya Sabha on



LOK SABHA SECRETARIAT
NEW DELHI

June, 2007/ Asadha , 1929 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS
AND PUBLIC DISTRIBUTION – 2006-2007.

Shri Devendra Prasad Yadav - *Chairman*

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3. Shri Alakesh Das
4. Shri Atma Singh Gill
5. Shri Abdul Mannan Hossain
6. Shri Baliram Kashyap
7. Shri Avinash Rai Khanna
8. Shri W. Wangyuh Konyak
9. Shri Parsuram Majhi
10. Shri Sadashivrao Dadoba Mandlik
11. Shri Harikewal Prasad
12. Shri Munshi Ram
13. Shri Ghuran Ram
14. Shri Daroga Prasad Saroj
15. Adv. P. Satheedevi
16. Shri Chandra Bhan Singh
17. Shri Ramakant Yadav
18. Shri Anil Shukla Warsi *
19. Vacant
20. Vacant
21. Vacant

Rajya Sabha

22. Shri T.S. Bajwa
23. Smt. Mohsina Kidwai
24. Shri Shantaram Laxman Naik
25. Shri Kanjibhai Patel

* Nominated to the Committee w.e.f 21June, 2007

26. Shri Rajniti Prasad
27. Shri Nabam Rebia
28. Shri Matilal Sarkar
29. Shri Ram Narayan Sahu
30. Shri Thanga Tamil Selvan
31. Shri Vijaykumar Rupani

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| 4 | Shri Jagdish Prasad | - | Deputy Secretary -II |

COMPOSITION OF THE STANDING COMMITTEE ON FOOD, CONSUMER
AFFAIRS AND PUBLIC DISTRIBUTION – 2005-06

Shri Devendra Prasad Yadav - *Chairman*

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3. Shri Govinda Aroon Ahuja
4. Shri Suresh Angadi
5. Shri Ranen Barman
6. Shri Alakesh Das
7. Shri Tukaram Gangadhar Gadakh
8. Shri Atma Singh Gill
9. Shri Abdul Mannan Hossain
10. Shri Jaiprakash
11. Shri Baliram Kashyap
12. Shri Avinash Rai Khanna
13. Shri Parsuram Majhi
14. Shri Zora Singh Mann
15. Shri Harish Nagpal
16. Shri Kondapalli Paidithalli Naidu
17. Shri Harikewal Prasad
18. Smt. Daggubati Purandeswari
19. Shri Ajit Kumar Singh
20. Shri Chandrabhan Singh
21. Shri Ramakant Yadav

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22. Shri Santosh Bagrodia
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| 4. | Shri R.S. Kambo | - | Deputy Secretary |
| 5. | Shri B.S. Dahiya | - | Under Secretary |
| 6. | Shri Jagdish Prasad | - | Assistant Director |

COMPOSITION OF THE STANDING COMMITTEE ON FOOD, CONSUMER
AFFAIRS AND PUBLIC DISTRIBUTION – 2004-05

Shri Devendra Prasad Yadav - *Chairman*

MEMBERS

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5. Shri Alakesh Das
6. Shri Tukaram Gadakh
7. Shri Govinda
8. Shri Abdul Mannan Hossain
9. Shri Baliram Kashyap
10. Shri Avinash Rai Khanna
11. Shri Parsuram Majhi
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13. Shri K. P. Naidu
14. Shri Harikewal Prasad
15. Smt. Daggubati Purandareswari
16. Shri Ajit Kumar Singh
17. Shri Chandrabhan Singh
18. Shri Ramakant Yadav
19. Shri Harish Nagpal
20. Shri Atma Singh Gill

Rajya Sabha

21. Shri T.S. Bajwa
22. Shri Palden Tsering Gyamtso
23. Shri Narayan Singh Kesri
24. Shri Lalitbhai Mehta
25. Smt. Bimba Raikar
26. Shri Thanga Tamil Selvan
27. Shri Vikram Verma
28. Shri Vijay Singh Yadav

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| 2. | Dr. (Smt.) Paramjit Kaur Sandhu | - | Joint Secretary |
| 3. | Shri R.S. Kambo | - | Deputy Secretary |
| 4. | Shri Jagdish Prasad | - | Assistant Director |

COMPOSITION OF THE STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND
PUBLIC DISTRIBUTION – (2003)

Shri Devendra Prasad Yadav - *Chairman*

MEMBERS

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3. Shri Rajbhar Babban
2. Shri Tara Chand Bhagora
3. Shri Sujan Singh Bundela
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5. Shri Namdeo Harbaji Diwathe
6. Shri Rameshwar Dudi
7. Shri Dip Gogoi
8. Shri Abdul Hamid
9. Shri Ramesh C. Jigajinagi
10. Smt. Preneet Kaur
11. Shri Bir Singh Mahato
12. Shri Sanat Kumar Mandal
13. Shri Shyam Bihari Mishra
14. Shri Sis Ram Ola
15. Shri Sukdeo Paswan
16. Shri Dharam Raj Singh Patel
17. Shri Ramsagar Rawat
18. Shri Bajju Ban Riyan
19. Shri Vishnu Dev Sai
20. Shri Ramchandra Veerappa
21. Shri Rammurti Singh Verma
22. Shri Man Singh Patel
23. Shri Kishan Lal Diler
24. Shri Jaiprakash
25. Shri Kalava Srinivasulu
26. Shri Adhi Sankar
27. Shri Alakesh Das

Rajya Sabha

28. Smt. Bimba Raikar
29. Shri Nandi Yellaiah
30. Shri Surendra Lath
31. Shri S.K. Khabir Uddin Ahmad
32. Shri Ravula Chandra Sekar Reddy
33. Shri Munavvar Hassan
34. Shri C. Perumal

35. Shri M.A. Kadar
36. Shri Vijay Singh Yadav
37. Shri Isam Singh
38. Shri Anil Sharma
39. Shri Harendra Singh Malik

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| 2. | Shri Krishan Lal | - | Director |
| 3. | Shri R.S. Mishra | - | Deputy Secretary |
| 4. | Shri Jagdish Prasad | - | Assistant Director |

INTRODUCTION

I, the Chairman of the Standing Committee on Food, Consumer Affairs and Public Distribution (2006-07) having been authorized by the Committee to submit the Report on their behalf, present this Twentieth Report on "Consumer Movement in the country".

2. The subject was selected for examination by the Committee during the year 2003. The Committee invited suggestions from Voluntary Consumer Organizations (VCOs) and District Fora all over the country. Permission from Hon'ble Speaker was obtained for calling information from State Governments/UT Administrations. Memoranda received from various organizations were examined and the Committee took oral evidence of non-official representatives of Consumer Coordination Council (CCC), Delhi and Consumer Unity and Trust Society (CUTS), Jaipur on 13 November 2003.

3. The Committee took official evidence of the representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) on 29 April, 2004 and 27 May, 2005.

4. The Committee wish to express their thanks to the Officers of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) for placing before them detailed written notes on the subject and for furnishing the information to the Committee, desired in connection with the examination of the subject. The Committee also wish to express their thanks to representatives of Consumer Coordination Council (CCC) and Consumer Unity and Trust Society (CUTS) for appearing and placing their considered views before the Committee and to various District Fora, NGOs, VCOs working in consumer interest for furnishing their comments & suggestions on the subject. The Committee also place on record their appreciation for the work done by the earlier Committees 2003, (2004-2005) and (2005-2006).

5. The Report was considered and adopted by the Committee at their sitting held on 31 May, 2007.

6. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

NEW DELHI
28 June, 2007
7 Asadha, 1929 (Saka)

DEVENDRA PRASAD YADAV
Chairman
Standing Committee on Food, Consumer
Affairs and Public Distribution

CHAPTER – I

Introductory

1.1 The consumer movement in India is as old as trade and commerce. In Kautilya's Arthshastra, there are references to the concept of protection of the consumers against exploitation by trade and industry, short weight and measurements, adulteration and punishment for these offences. However, there was no organized and systematic movement actually safeguarding the interests of the consumers. Prior to independence, consumer interests were considered mainly under laws like the Indian Penal Code, Agricultural Production Grading and Marketing Act, 1937, Drugs and Cosmetics Act, 1940, etc. Even though different parts of India had different levels, in general, the level of awareness was low.

1.2 India being a vast country with a large population still living below poverty line, the level of consumer awareness continues to be low even today. Because of the economic inequality, low level of literacy and ignorance, the consumers are not able to assert and protect themselves and easily get exploited by the trade and industry and service providers. The problem has become more acute with increase in consumerism and opening up of the economy. Protecting and promoting the welfare of consumers has, therefore, become one of the major concerns of the Government. Policies have been designed and legislations enacted to protect the interests of the consumers and grant them the rights of choice, safety, information and redressal. A separate Department of Consumer Affairs was created in the Central Government in the year 1997 to act as the nodal Department to exclusively focus on protecting the rights of consumers including redressal of consumer grievances as well as to promote standards of goods and

services, standards in weights and measures, regulation of packaged commodities, maintenance of essential commodities, etc. The Committee have been informed that all States/Union Territory Administrations were requested to provide inter-alia separate Budget for Consumer Affairs in each State/UT, for protecting the interests of consumers. As per information made available by the States/ Union Territory Administrations, so far 27 States/UTs have made separate Budget provisions for Consumer Protection programmes /activities. Further, only one State Government i.e. Government of West Bengal has created separate Department of Consumer Affairs. The Department has further informed that in as many as 23 States/Union Territories, the name of Department includes words 'Consumer Affairs/Protection.

1.3 Commenting upon study of consumer movement in other countries, the Department in a note stated that no comparative study has been made by the Government of India with regard to the consumer movement in the country vis-à-vis the consumer movement in other countries of the world.

1.4 When the Committee enquired about the steps taken by the Government to resolve the grievances of consumers expeditiously and at lower cost, the Secretary, Department of Consumer Affairs stated during evidence: -

"In 1997, India took the pioneering step in creating a separate Department of Consumer Affairs. Before that, it had passed a separate Consumer Protection Act, under which at District, State and National levels, forums were established to resolve the consumer grievances speedily and cheaply. In all these respects, a positive thing for which we can take reasonable degree of satisfaction is that among the developing countries, these are pioneering steps. We are cited as a model among the developing countries in this regard. On the other side, as compared to the developed countries, there is a long way to go before we can reach the levels of even the lesser-developed countries. We have to be conscious of that and take specific steps in that regard."

1.5 The Committee were apprised about the initiatives taken by the Central Government in persuading the State Governments to take proactive steps for protecting the interests of the consumers. In this context, the Department has requested States/UTs to prepare Action Plans for consumer awareness, redressal and enforcement of Consumer Protection Act, 1986 and allocate suitable Budget for the same. State Governments have been asked to make provisions in their State Annual Plans for strengthening the consumer protection machinery and also to undertake measures for educating the consumers in their respective States in a sustained manner involving all concerned.

1.6 The Committee note that the consumer movement in India is as old as trade and commerce. But there was no organized and systematic movement to safeguard the interests of the consumers. Prior to Independence, consumers' interests were considered mainly under laws such as the Indian Penal Code, Agricultural Production, Grading and Marketing Act, 1937 and Drugs and Cosmetic Act, 1940, etc. Poverty, illiteracy and lack of consciousness to assert one's rights were some of the main reasons for low level of consumer awareness in the country. As such, trade and industry and other service providers easily exploited the consumers. Policies were then designed and legislations enacted to protect the interests of the consumers. The consumers were given the right of choice, safety, information and redressal mechanism. A separate Department of Consumer Affairs was created in the Central Government in 1997 to exclusively focus on protecting the rights of consumers.

1.7 Setting up of a three-tier quasi-judicial mechanism to address the complaints of the consumers at National, State and District level was another milestone in the history of consumer movement in India. The National Commission at the Central level and State Commissions and District fora in some of the States/Union Territories are doing commendable work. However, the working of State Commissions and District Fora in some of the States is not upto the mark. To supplement the efforts being made by the State Governments for strengthening the consumer movement in various parts of the country, grants are being provided by the Union Government. Inspite of best of the efforts made by the Union Government and State Governments, a lot still needs to be done. It was acknowledged by the Secretary during the course of oral evidence that as compared to developing countries, there is a long way to go before we can reach the level of even the lesser-developed countries in protecting the interests of consumers.

1.8 The Committee have dealt in detail the various issues related to consumer movement in the report and various observations/recommendations have been made. The Committee urge the Department to chalk out detailed strategy related to consumer awareness and consumer protection in consultation with the State Governments/NGOs/VCOs/ local bodies and all other stakeholders on the lines suggested by the Committee in the report.

1.9 The Committee find from the information provided by the Department that, only one State viz West Bengal is having a separate Department of Consumer Affairs. Besides, in 23 States/UTs, the nomenclature of the Department includes words like “Consumer Affairs”, “Consumer Protection” etc. The Committee are concerned to note that low priority is accorded to the subject of Consumer Protection by various State Governments and it is virtually a neglected area. The Committee are of the view that the nature and volume of work involved in consumer protection is such that it requires adequate attention and only then justice could be done to this matter of much public importance. The Committee feel that the subject also requires constant and regular monitoring. And because of its scope being so vast, a full-fledged Department headed by an officer of the level of Secretary needs to be in place in States for consumer protection. The Committee also desire that for promoting the welfare of the consumers in the States, a separate Budget needs to be earmarked for the Consumer Affairs Department. The Committee, therefore, recommend that the matter of separate Department on Consumer Affairs/Protection, headed by officer of the rank and pay of Secretary and separate budgetary provision, should be taken up in the right earnest and at the highest level with the State Governments. Some sort of in built incentives be also devised for the States/UTs who are doing well in the field of consumer awareness and consumer protection. The Committee would like to be apprised of the action taken in the matter.

CHAPTER II
CONSUMER PROTECTION AND CONSUMER AWARENESS
-THE OVERALL SCENARIO

A The amendments to the Consumer Protection Act, 1986

2.1 Consequent upon the decision taken in the 50th National Development Council (NDC) meeting held on 21 December 2002, Consumer Protection was identified as a thrust area and the Department of Consumer Affairs has been assigned the task of evolving a 'National Action Plan' for consumer awareness and redressal and enforcement of Consumer Protection Act, 1986.

2.2 The main objectives of consumer protection are to:

- a) to create a suitable administrative and legal mechanism which is within the easy reach of consumers;
- b) to involve and motivate various sections of society such as consumer organizations to participate in the programme;
- c) to assist, encourage and provide financial assistance to Governmental and non-Governmental organizations to take up various consumer protection related activities; and
- d) to generate awareness amongst consumers about their rights and motivate them to defend them and not to compromise on quality and standards of goods and services.

2.3 The most important milestone in the area of consumer protection/consumer movement in the country has been the enactment of Consumer Protection Act, 1986. The aforesaid Act was necessitated because the well organized sectors of manufacturers, traders and service providers armed with knowledge of the market and manipulative skills often attempt to exploit the consumers despite the existence of

provisions in different laws protecting their interests. Moreover, various factors including increase in the population have resulted in enormous pendency and delay in disposal of cases in the Civil Courts. Consumers

cannot be asked to wait for years for settlement of even small claims. Hence, the Consumer Protection Act, 1986 was enacted to better protect the interests of the consumers. It is one of the most progressive and comprehensive piece of social legislation covering all goods and services. The salient features of the Act are:

- (i) the Act provides for establishing a three-tier consumer dispute redressal machinery at the National, State and District level;
- (ii) it applies to all goods and services;
- (iii) it covers all sectors, whether private, public or cooperative including any person;
- (iv) the Act provides for relief of a specific nature and also for compensation to the consumer as appropriate. It is also punitive and preventive in nature;
- (v) the Act also provides for setting up of a Consumer Protection Council at the Central, State and District levels, which is an advisory body to promote and protect the rights of the consumers;
- (vi) the provisions of the Act are in addition to and not in derogation of the provisions of any other law for the time being in force;

2.4 As the Act was not adequate to protect the interests of consumers, it was amended in the year 1991 and again in 1993 to make it more effective and purposeful. The Government made comprehensive proposals to further amend the Act and brought the Consumer Protection (Amendment) Act, 2002 (62 of 2002). The provisions of the said Amendment Act were enforced from 15 March 2003. Countrywide advertisement was also brought out highlighting important provisions for the public knowledge. State Governments were also requested to give wide publicity to the legislation.

2.5 The provisions of the Amendment Act were mainly aimed at facilitating quicker disposal of complaints making Consumer Courts more capable, strengthening Consumer Courts, streamlining the procedures and widening the scope of the Act to make it more functional and effective and also to strengthen Consumer Movement at the grass root level. According to the Department, the Amendment in the Act is expected to greatly facilitate the working of the Consumer Dispute Redressal Agencies in the country and help in achieving speedy settlement of consumer disputes.

2.6 On being asked by the Committee whether the Government is contemplating to further amend/update/revise the Consumer Protection Act and the Rules framed there under, the Department replied that with a view to ensuring that the Consumer Protection Act remains vibrant and dynamic and live to serve and protect the interests of consumers, a Working Group was constituted to suggest amendments to the Act. The Working Group has submitted its report, which is being examined by the Government. While examining Department for Grants (2007-08), the Committee have been informed that the draft amendment proposals to the aforesaid Act have been prepared based on the recommendations of the Working Group.

2.7 The Committee note that the Consumer Protection Act, 1986 seeks to protect the rights of consumers by rendering quick and inexpensive redressal of the grievances of the consumers by establishing 'Alternate Justice Delivery System'. The Committee further note that in a span of two decades since the enforcement of the provisions of the aforesaid Act, it has undergone amendments thrice and a Working Group has been constituted to propose further amendments. The Committee while examining Demands for Grants 2007-08 have been informed that the draft amendment proposals have been prepared based on the recommendations of the Working Group. The Committee would like that the amendments should be finalized expeditiously and the draft legislation be introduced in

Parliament. Besides, the Committee urge that while bringing the amendments, the various observations/suggestions made in the report should also be considered.

B The outlay provided to the Department of Consumer Affairs for consumer protection which includes consumer awareness

2.8 The Department informed that during the Ninth Plan period, the consumer protection unit had a Budget provision of Rs. 12.84 crore, out of which Rs. 10.36 crore was earmarked for publicity programmes. Further, during the Tenth Plan period, the consumer protection unit was initially provided with a meagre outlay of Rs. 15.50 crore. While examining the Demands for Grants 2007-08, the Committee have been informed that during the year 2004-05 the allocation was provided to the tune of Rs. 8.59 crore at Revised Estimates stage. During the year 2005-06, the allocation was enhanced considerably and Rs. 71.14 crore were provided. Further, during the year 2006-07, Rs. 86.42 crore have been provided. During the year 2007-08, the allocation of Rs. 82.41 crore has been provided.

2.9 As regards the strategy of the Department of Consumer Affairs for the Eleventh Plan, the Department has informed that a Working Group of Consumer Protection constituted under the Chairmanship of Secretary (Consumer Affairs) has submitted its comprehensive report containing recommendations for the Eleventh Plan to the Planning Commission. Discussions on the Eleventh Plan are in progress and final outlay has not been indicated as yet.

2.10 The Committee find that the consumer protection unit of the Department of Consumer Affairs had been allocated a meagre allocation of Rs. 12.84 crore during the Ninth Plan. During the Tenth Plan, initially the allocation was made for only Rs. 15.50 crore. However, during the last two years of the Tenth Plan i.e. the year 2005-06 and 2006-07, the allocation for consumer protection was enhanced considerably. The Committee further find that a Working Group of Consumer Protection has submitted its comprehensive report containing recommendations for the Eleventh Plan to the Planning Commission. The Committee would like to be apprised of the details of the recommendations made by the Working Group. Besides the Committee would like that Planning Commission/Ministry of Finance should be persuaded to provide adequate outlay during the Eleventh Plan for the consumer protection and awareness programmes so as to bring out sustained countrywide multimedia publicity programmes.

(c) Consumer Awareness particularly in rural, difficult and far flung areas

2.11 The success of the consumer movement in India would mainly depend upon the level of consumer awareness generated in the country to educate the consumers about their rights and responsibilities. Where the literacy rate is high and social awareness is greater, the consumers cannot be easily exploited. Within India, the level of consumer awareness/consumer movement varies from State to State depending upon the level of literacy and the social awareness of the people. It may be stated here that generally in the Southern States, Gujarat and Delhi, the consumer movement is fairly strong because of the higher level of literacy and social awareness as compared with other parts of the country. The Department of Consumer Affairs, being the nodal Department in the field of consumer protection, has the responsibility not only to administer the Consumer Protection Act, 1986 but also to strengthen the consumer movement in the country so as to protect the consumer's interest. The Department of Consumer Affairs has been taking a number of steps to spread the consumer movement in the country by involving the State Governments, VCOs, consumer activists, etc.

When asked about the steps taken for generation of consumer awareness, the Committee have been informed that the Department is undertaking all the publicity work programmes through Government agencies namely DAVP, DD and AIR of the Ministry of Information and Broadcasting since the beginning.

2.12 The Department has further informed the Committee about the following important measures taken for creating consumer awareness:-

- (i) The Department is bringing out a quarterly journal entitled, "Upbhokta Jagaran" (Consumer Awakening), on consumer protection. This journal is distributed free of cost to all the VCOs, redressal agencies, State Governments, libraries, etc. for creating consumer awareness. Video and Radio programmes 'Jago Grahak Jago' have been produced by the Department on various consumer related issues;
- (ii) To educate the consumers about their rights and responsibilities, the Department has been releasing small advertisements repeatedly in leading dailies of Delhi and North Eastern States and also in States/UTs on rotational basis;
- (iii) The Department in consultation with Department of Post has started disseminating consumer awareness messages through Meghdoot Post cards to reach far-flung rural areas including North Eastern States;
- (iv) 'World Consumer Rights Day' is celebrated each year on 15 March the world over. The Department observes the day by undertaking various outdoor publicity programmes including audio/video print publicity programmes, arranges seminars and requests all the State Governments, Ministries/Departments, VCOs, trade and industry associations, AIR, DD and various other institutions to do the same. Publicity through newspaper advertisement at All India level is also undertaken during the occasion;
- (v) On a proposal mooted by the Department 24 December has been declared as 'National Consumer Day' (since the year 2000) because that is the day on which the Consumer Protection Act 1986 had received the assent of the President;
- (vi) To encourage the VCOs, women and youth, the Department has instituted National Awards on Consumer Protection. The VCOs who have done outstanding work are given a prize money of Rs. 50,000, Rs. 40,000 and Rs. 30,000 along with certificate of Merits;
- (vii) The Department had sponsored a project 'National Consumer Help Line', with Toll free facility 1800-11-4000 on 15 March, 2005 in consultation with Delhi University for giving proper guidance to consumers in solving their grievances. The Department has also

launched a website in consultation with an apex body of Voluntary Consumer Organizations entitled "core.nic.in" (CORE- Consumer Online Resources and Empowerment) to provide more information on line to consumers in redressing their grievances.

2.13 When enquired whether there is any proposal for roping in any celebrity on the lines of polio campaign to espouse the cause of consumer awareness to make it eye-catching, the Department replied that action has already been initiated to rope-in some celebrities to take up consumer awareness as social commitment towards the society. There has been positive response from some quarters. Further modalities are being worked out.

2.14 When asked about the strategy adopted by the Government to generate the awareness amongst the consumers, the Secretary, Consumer Affairs during evidence elaborated as under:-

"The Consumer awareness is the basis of consumer protection. In recent times we have stepped up the media campaign for creating consumer awareness, making him aware of his right, how to take precautions and prevent cheating. But there have been very justifiable complaints about coverage of rural areas or of the consumers who are not literate or who are in difficult areas like the North-Eastern region and what are we doing for them. With the help of the Committee, we have got the necessary back up support. We are now taking special care to ensure that we are able to reach the people in the remotest areas and particularly the north-eastern region. We want to reach a stage where the consumer himself will say that his grievances are being attended to. That is what we are proposing to do. The Consumer Forum should be the last resort rather than the first resort. We are trying to help the consumer get resolution of his disputes by the company or the undertaking or by the authority concerned. For this purpose, we have launched two major projects. One is, the consumer helpline. Right now, this is in two languages-English and Hindi. But we are proposing to introduce in other regional languages. The second is the core project where all relevant information needed by a consumer regarding his rights, statutory provisions, case laws etc., would be available. This way also the consumer can be helped in getting his complaints resolved without taking recourse to adjudication. If everything fails, then he can go to court so that we reduce the burden on the consumer forum. We are trying to get the complaints resolved at the first stage itself. This is the strategy we have adopted".

2.15 The Committee note that though the Government has started a vigorous consumer awareness campaign through print media, adequate publicity has not been given through electronic media. The Committee feel that to make the consumer awareness programme broad based and more mass oriented, wide publicity should be given through electronic media on the lines of Pulse Polio Campaign etc. by roping in well known celebrities to espouse the cause. The Government should also reach the people through Gram Melas, etc. The services of the NGOs need to be exploited through special programmes by making them partners in spreading the awareness and enhancing the effectiveness of the consumer protection measures.

2.16 The Committee feel that the consumer awareness programme shall not yield the desired results, until and unless the focus of targets is villages, tribal and inaccessible far flung areas. The Committee desire that aggressive campaigning about consumer protection needs to be stepped up in these vulnerable areas. The literature brought out by the Department for example 'Upbhokta Jagaran', needs to be brought out in regional languages. The video and radio Programmes for creating awareness should not only be televised /broadcasted by public broadcast but also be shown in cable/private TV Channels. The Committee desire that they may be apprised of the action taken by the Government in this regard.

2.17 The Committee further feel that the Department has to think of adopting entirely different techniques for consumer awareness in rural areas keeping in view the ground reality. The illiterate and innocent rural poor consumers cannot

take the advantage of sophisticated techniques of consumer helpline or online mechanism as introduced by the Department for redressal of consumers' grievances. That foremost condition of using these techniques is a minimum level of education and awareness. There is an urgent need to make these people aware of their rights and this can be achieved through simple techniques like street drama, musical drama, folk dances, nautanki, etc. in regional languages. Song and Drama Division and Field Publicity Units of the Ministry of Information and Broadcasting and Publicity Units of the State Governments should extensively be involved. Besides, as recommended in the earlier para of the report, the Committee emphasize that adequate outlay for consumer awareness should be provided so as to achieve the aforesaid objective.

2.18 With the enactment of the Constitution 73rd Amendment Act, 1992 elected Panchayati Raj Institutions exist in almost every State/UT. The Department should take the desired initiatives to involve Panchayati Raj Institutions in various programmes related to consumer awareness. Besides, the publications of the Department specifically 'Upbhokta Jagaran' should be brought out in regional languages and distributed to the elected representatives of Panchayati Raj Institutions. The Committee further feel that the best forum to educate the rural masses about their rights as consumers as well as the techniques to redress to their grievances is the meetings of Gram Sabha, which are attended by almost every villager. The Committee note that 24 December has been declared as National Consumer Day since the year 2000. The Department in consultation with the Union Ministry of Panchayati Raj should take the desired initiatives to have mandatory meetings of Gram Sabhas on this day where the villagers could properly be educated about their rights as consumers.

2.19 The Committee note that the Department has instituted National Awards on Consumer Protection to encourage the VCOs , women and youth . The VCOs who have done outstanding work are given prize money of Rs. 50,000, Rs. 40,000 and Rs. 30,000 alongwith certificates of Merit. The Committee would like to be apprised of the number of VCOs women and youth who have been given prize so far. Further, the Department should also inform the Committee about the number of VCOs, women and youth from rural areas who have been awarded prizes so as to know the impact of this scheme in rural areas.

CHAPTER III

CONSUMER FORA

3.1 The Consumer Protection Act, 1986 seeks to better protect the rights of consumers by establishing an 'Alternate Justice Delivery System' to render quick and inexpensive redressal to the consumers complaints. A three-tier quasi judicial redressal machinery at the National, State and District level has been set up to provide simple, inexpensive and time bound redressal of consumer grievances against defective goods, deficient services, restrictive/unfair trade practices etc. adopted by any trader or person through summary trials. Filing of a simple complaint on plain paper giving the details of the case with supporting documents is enough for seeking relief/compensation and it is not obligatory to engage a lawyer. In fact, any authorized agent can represent the complainant or the opposite party. These redressal agencies are popularly known as consumer fora or consumer courts and they are not the replica of civil courts. According to the objectives and purposes of the Consumer Protection Act, these quasi-judicial bodies are required to observe the principles of natural justice and follow summary trial expeditiously adjudicating the consumers' complaints.

(a) Powers of Consumer Fora

3.2 The Consumer Fora, as per the powers vested under section 14 of the Act, can provide the following relief by directing the opposite party or parties to do one or more of the following:-

- (i) removal of defects from the goods;
- (ii) replacement of defective goods with goods of similar description free from any defects;
- (iii) refund the price/excess price paid;
- (iv) award compensation including punitive damages for loss or injury suffered by consumer due to the negligence of the opposite party;

- (v) removal of deficiency in services;
- (vi) discontinue unfair or restricted trade practice or not to repeat it;
- (vii) stop offering the hazardous goods for sale;
- (viii) withdraw hazardous goods from being offered for sale;
- (ix) to cease manufacture of hazardous goods and to desist from offering services which are hazardous in nature;
- (x) imposing penalty where large number of consumers have suffered loss or injury even if they cannot be identified conveniently;
- (xi) order for corrective advertisement at the cost of the opposite party to neutralize the effect of misleading advertisement;
- (xii) to issue interim order wherever deemed justified; and
- (xiii) to provide adequate costs to affected parties.

3.3 Under the Consumer Protection Act, 1986 (Section 9), the responsibility for setting up of the National Commission rests with the Central Government.

The National Commission has a retired/sitting judge of the Supreme Court as its President. The number of Members has recently been enhanced to nine. One of the Members has to be a woman. In the original jurisdiction, it can decide cases where the value of the goods or services and compensation claimed, if any, exceeds rupees one crore. The Members are appointed for a period of five years. They should possess a bachelors degree, should not be less than 35 years of age and have an experience of 10 years in the field in which they come from. They are eligible for re-appointment for another five years subject to maximum age of 70 years. The President of Commission has also been empowered to constitute Bench with one or more Members. The National Commission has established a second Bench with effect from 24 September 2003. The State Commissions comprise three Members including a retired/sitting judge of High Court as its President. One of its Members shall be a woman. In the original jurisdiction, it can decide cases where the value of the goods or services and compensation, if any claimed, exceeds Rs. 20 lakhs but does not exceed rupees one crore. The President of Commission has also been empowered to constitute Bench with one or more Members. The District Forum

is to be set up in each District and consists of three Members including a sitting/retired District Judge or a person qualified to be District Judge as its President. One of its Members shall be a woman. It can decide cases upto Rs. 20 lakhs.

Functional/Non-Functional State Commissions/District Fora

3.4 The status of State Commissions/District Fora in each State/UT has been given in the Appendix-I. It could be seen therefrom that all the State Commissions are functional. With regard to District Fora, out of total 607 District Fora, 585 District Fora are functional. Thus 22 District Fora are Non-Functional.

3.5 When the Committee asked about the strategy chalked by the Government to make the non-functional District Fora functional, the Department replied that the responsibility for setting up of Consumer Fora and their effective functioning, including their uninterrupted functioning, is on the State Governments/UT Administrations. With a view to ensure that all the Fora are functional on continuing basis, the senior most Member has been empowered under the Act to act as President in the absence of the regular President. In the absence of the President of the State Commission who is the Chairman of the Selection Committee, the State Governments have been empowered for nominating a sitting Judge of the High Court in consultation with Chief Justice of the concerned High Court to act as Chairman for selection of President/Members of the Consumer Fora. In reply to another question, the Department stated that State Governments have been instructed to take the following steps to ensure that Consumer Fora do not remain non-functional :-

- (i) To initiate action well in advance for filling up of future vacancies of Members/Presidents and to maintain a standing panel of members for immediate appointment.
- (ii) To consider reappointment of eligible Presidents and members having good track records.
- (iii) Where District Fora are non-functional due to vacancies of Presidents/Members, States have been advised to club together neighboring District Fora till regular arrangements are made.
- (iv) Where delay/pendency in settling cases occurs due to shortage or non-availability of staff like stenographers, the States have been advised to engage the services of such staff on contractual basis.
- (v) To consider setting up of additional District Fora, wherever necessary.

Vacancy position in the State Commissions and District Fora

3.6 The vacancy position in the State Commissions and District Fora in various States/UTs is given in the Appendix-II. The following is the over all position in this regard:-

State Commissions		District Fora	
Post	No. of Vacancies	Post	No. of Vacancies
President	02	President	49
Member	09	Member	181

3.7 As regards State wise position, the vacancies of President in State Commissions are in Arunachal Pradesh and Assam. The vacancies of Members are in Assam, Gujarat, Haryana, Kerala, Manipur, Tamil Nadu and West Bengal. With regard to District Fora, the posts of President and Members are vacant in various States/UTs. The worst is the position in Rajasthan where there are 31 vacancies of Members and 4 vacancies of Presidents followed by Tamil Nadu, where there are 21 vacancies of Members and 2 of Presidents. In Bihar and Madhya Pradesh, 17 vacancies of Members exist in each State. In Arunachal Pradesh and Gujarat, 16 and 13 posts respectively are falling vacant.

3.8 The Committee noted that posts of President and Members in District Fora in many States are lying vacant, which cause delay in disposal of cases. When the Committee asked about the steps taken by the Department to fill the vacant posts, the Committee have been informed that the Department and National Consumer Disputes Redressal Commission are monitoring and constantly impressing upon the States/UTs for timely filling up the vacant posts of Presidents/Members. The Secretary, Consumer Affairs, during the evidence elaborated as under:-

“The main problem as to why the cases are not disposed in time is that the vacancies in the District Fora and the State Commissions are not being filled up in time. Vacancies exist because of which the cases cannot be attended to and there is long pendency. So, we have taken some steps including amendments to the Consumer Protection Act in 2002. It has already come into effect in March, 2003. We are also repeatedly writing even at the Minister’s level to the Chief Ministers and at my level to the Chief Secretaries to take advance steps to fill up vacancies. Vacancies except in some cases occur on due dates and there is no reason why advance steps cannot be taken to fill up the vacancies in time. We are now regularly monitoring the vacancy position.”

Honorarium/remuneration being paid to Presidents and Members of State Commissions as well as District Fora.

3.9 A statement showing the honorarium/remuneration being paid to Presidents and Members of State Commissions and Presidents and Members of District Fora is given at Annexure- III.

3.10 It could be seen from the aforesaid appendix that there are large scale variations in the honorarium/remuneration being paid to Presidents and Members of State Commissions as well as District Fora. In most of the States, salary of High Court Judge is being provided to Presidents of State Commissions and

salary of District Judge to the President of District Fora. In the States where provision is not made of providing salary equivalent to High Court/District Judge, there is large-scale variation in the salary and allowances paid to Presidents of State Commissions and District Fora. Besides in many States, the provision has been made for part time honorarium on daily basis to Presidents and Members of State Commissions as well as District Fora. In some of the States, per day honorarium/remuneration paid is very less. For example in case of Meghalaya per day honorarium paid to the Members of State Commission as well as District Fora is only Rs. 75 per day. In Lakshadweep, Rs. 150 is provided as per day remuneration to Members of the State Commission and Rs.100 to Members of District Fora. Another variation seen in the honorarium/remuneration structure is that in many States besides fixed honorarium/remuneration allowances and perks are also being provided. In Chandigarh, besides Rs. 26,000 fixed amount, allowances and perks are also being provided. In many States, besides the per day sitting honorarium, conveyance allowance is also being provided. For example in Goa, besides Rs. 200 per day sitting remuneration, Rs. 75 as conveyance allowance to a Member of District Fora is being provided. In Madhya Pradesh also, besides Rs. 250 per day fixed remuneration, Rs. 50 as conveyance is being provided to Members of District Fora.

3.11 When asked whether there is any proposal to bring uniformity in the salaries and honorarium being paid to Presidents and Members of Consumer Fora of different States, the Department replied that it has been passing resolutions to bring uniformity in the salaries and honorariums to be paid to the Presidents and Members of the consumer Fora. Action in this regard is to be taken by the State Governments/Union Territory Administrations. The

Department has requested all the State Governments/Union Territory Administrations to implement the resolutions passed in this regard.

Inadequate supporting staff in various District Fora

3.12 The Committee have been informed that supporting staff for District Fora is normally borrowed from the local Food and Civil Supplies Department. When asked about the efforts made by the Central/State Governments to ensure adequate availability of full-fledged staff for the District Fora, the Department informed that the responsibility of providing staff exclusively rests with the State Governments in the Department of Food, Civil Supplies and Consumer Affairs and there is no separate cadre of supporting staff for Consumer Fora in States/Union Territories.

The status of cases filed in different Consumer Fora at National, State and District level

3.13 In terms of the Consumer Protection Act, Consumer Disputes Redressal Agencies have been set up at the District level (607), State level (35) and National level to provide simple, inexpensive and time bound justice to the consumer complaints against defective goods, deficient services including the unfair/restrictive trade practices adopted by the traders or any person.

3.14 The time limit for disposal of complaints / appeals was not laid down in the Act initially. In terms of sub section 3A inserted in section 13 of the Act with effect from

15 March 2003, the District Fora were required to decide the complaints within a period of three months from the date of receipt of the notice by the opposite party

where the complaint did not require analysis or testing of commodities and within five months if it required analysis or testing of commodities.

3.15 The detailed information giving State-wise data of the cases filed since inception and percentage of disposal with regard to National Commissions, State Commissions and District Fora in each of the State/UT is given in Appendix-IV and V. The analysis of the data indicates as below.

	Cases filed since inception	Cases disposed off since inception	Cases pending	Percentage of disposal
National Commission	40981	33319	7662	81.3
State Commission	361240	253456	107784	70.16
District Fora	2147744	1924256	223488	89.59

3.16 The State-wise analysis points out that in Arunachal Pradesh, Assam, Haryana, Maharashtra, Manipur, Mizoram, Orissa and Uttar Pradesh, the percentage disposal of cases in State Commissions is less than 70 per cent. The worst is the position in Daman & Diu where not even a single case has been reported and disposed off. In Uttar Pradesh and Mizoram the percentage disposal is 29.13 and 33.70 per cent, respectively. In progressive States like Maharashtra, the percentage disposal of cases is 56.19 per cent. With regard to District Fora, in Daman & Diu, not even a single case has been reported to be filed and disposed off. In Bihar, Dadra and Nagar Haveli, Jammu and Kashmir, Mizoram, Tripura and Uttar Pradesh, the percentage disposal of cases is less than 80 per cent.

3.17 The analysis of the data further reveal that in many States/UTs the number of cases filed is very low. As regards State Commissions in as many as 7 States viz Andaman & Nicobar Islands, Arunachal Pradesh, Dadra and Nagar Haveli, Daman and Diu, Lakshadweep, Manipur, Mizoram, Nagaland and Sikkim, the number of cases filed is in double digits. With regard to District Fora, in 8

States/UTs viz A&N Islands, Arunachal Pradesh, Dadra and Nagar Haveli, Lakshadweep, Manipur, Meghalaya, Nagaland, Sikkim, Tripura, the number of cases filed are in three digits. The number of cases filed is nil in Daman and Diu. In Daman and Diu the number of cases filed since inception is nil in State Commission and District Fora.

3.18 When the Committee enquired about the reasons for not meeting the deadline for disposal of cases within time prescribed for the purpose in National/State Commissions/District Fora, and the efforts made for early disposal of cases, the Department has stated that the delay in disposal of cases within prescribed time limit is mainly due to frequent adjournments, inadequate infrastructure, lack of manpower/ lack of finances and non filling of vacancies. Some of the important steps taken by the Department for speedy disposal of cases are as under:-

- a) A project for computerization and computer networking of Consumer Fora throughout the country has been initiated as a turnkey project through NIC in 2004-05, It is expected to be completed by the end of 2006-07. This will promote e-governance, transparency, efficiency and systematizing of working of consumer Fora and also to provide time bound delivery of justice to consumers.
- b) The following important provisions have been made in the Consumer Protection Act, 1986 through amendments to facilitate quicker disposal of cases:
 - (i) provision for senior most member to preside over the Consumer Fora if the President is absent for any reason;
 - (ii) time frame has been prescribed for admission of complaints, issue of notice from the date of admission and complaints to be disposed off, as far as possible, within 90 days (within 150 days, where it requires testing);
 - (iii) appeals to be disposed off as far as possible within 90 days;
 - (iv) where a complaint/appeal has not been disposed off within the time period, reasons for the same should be recorded;
 - (v) ordinarily no adjournment is to be given. Adjournments can be given only when it is justified and that too with cost. ;
 - (vi) once a complaint is admitted it shall not be transferred to any other Court/Tribunal;
 - (vii) provision for service of notices by courier, fax, speed post etc;

- (viii) services utilized for commercial purposes are excluded from the purview of Consumer Fora;
 - (ix) resignation of the President/Member to become effective only on acceptance, thereby ensuring that continuity of the functioning of the court is not affected;
 - (x) provision for continuing the proceeding from the stage where the case was last heard by the previous Member instead of starting de-novo proceedings where applicable;
 - (xi) sitting Judge of the High Court to preside the meetings of the Selection Committee for selection of Members of State Commissions as well as President and Members of District Fora, when President of the State Commission is absent for any reason;
 - (xii) provision for reappointment of Presidents and Members of consumer Fora so as to utilize their expertise;
 - (xiii) provision for holding of Circuit Benches by National/State Commission to provide justice at the door step;
 - (xiv) provision for appointment of Additional Members in the National/State Commission to constitute Benches;
- (c) Further a number of amendment proposals are already under consideration, which will further facilitate quicker disposal of cases and ensure better observance of time norms.
- (d) The Consumer Protection Regulations, 2005 were framed by the National Commission with the approval of the Central Government to provide uniform procedures to regulate day to day functioning of the Consumer Fora.
- (e) The State Governments have been requested from time to time not to allow the Consumer Fora to remain non-functional and also to provide adequate facilities. Besides this, the Central Government as well as the National Consumer Disputes Redressal Commission should regularly monitor the functioning of the Consumer Fora and suggest/take remedial measures for their effective functioning .

Setting up of Lok Adalats to clear the backlog of cases

3.19 When enquired whether the Government intend to set up Lok Adalats type Fora to clear the backlog of pending cases, the Department replied that the Consumer Fora have been established under Consumer Protection Act, 1986 with the objective of providing simple, speedy and inexpensive justice to the

consumers. The Lok Adalats are another alternative redressal mechanism available to the consumers. In the State of Punjab, an attempt has already been made to utilize this mechanism for expeditious settlement of cases pending in Consumer Courts. Lok Adalats were held for consumer cases in Jalandhar on 4 April 2005 and in Ludhiana on 10 April 2005 wherein 60-70 and 115 cases, respectively were settled.

The Secretary, Consumer Affairs further clarified during evidence: -

“We have set specific time limits for disposal of grievances. But as the Committee is well aware, bulk of the cases are not getting resolved within the time limit specified in the Act. It is taking much longer time, than specified in the Act. Infrastructure is inadequate. The problem is that under our federal structure, the District Fora and State commissions are the responsibilities of the State Governments. We have repeatedly and regularly taken it up with the State Governments to provide minimum infrastructure. Some States have taken steps but many States have not taken steps with the result that the District Fora and certain State Commissions have to function without adequate and minimum infrastructure. As far as Lok Adalats are concerned, what I would submit is that the Consumer Protection Act has set up a parallel system for resolving the consumer grievances speedily and at low cost. The trials are to be on summary basis. You do not have to pay high court fees. You can apply on a plain paper. So Lok Adalats are relevant mostly in cases where the litigation is pending in regular courts for a long time. In spite of that, the pendency of the consumer grievances are also increasing. Punjab Principal Secretary took a lot of interest in bulk disposal of consumer grievances. He made a presentation on this and we told him to go ahead. Now, we have just got its report and the results are positive. We will certainly try to replicate that in other areas also wherever possible”.

(f) Lack of Infrastructure

3.20 As far as the Consumer Fora at the State levels are concerned, though the responsibility for establishment of these Fora as well as providing all necessary infrastructure for their effective functioning rests with the State Governments, many of the States are not able to meet even

the minimum infrastructural requirements of the Consumer Fora which affect the efficiency of the Fora. Therefore, the Planning Commission had allocated Rs. 61.80 crore during 1995-96 at the rate of Rs. 50 lakh for each of 32 State Commissions and Rs. 10 lakh each for 458 District Fora as a one-time grant so as to supplement the efforts of the State Governments. So far approximately 84 per cent of the grant has been utilized by the States/UTs. Since 1995, 113 District Fora and three State Commissions have been added in newly created Districts/States. States are repeatedly asking for additional funds to enable them to provide proper infrastructure to all the Consumer Fora.

3.21 In post evidence reply, the Department informed the Committee that 13 States have been sanctioned additional grant of Rs. 10.20 crore during 2004-2005 as assistance for strengthening the infrastructure of 53 District Fora and 3 State Commissions, which have been set up after the initial grant given in 1995, 53 District Fora, for which grant has been sanctioned during 2004-2005, are in the States which have reported nearly 100 per cent utilisation upto March, 2005. The detail of States which had been sanctioned grant during 2004-2005 is given below:-

Sl. No	Name of the State	State Commission	District Forums	Amount Rupees in crores
1.	Jharkhand	1		0.75
2.	Chattisgarh	1		0.75
3.	Uttaranchal	1		0.75
4.	Andhra Pradesh		7	1.05
5.	Madhya Pradesh		7	1.05
6.	Mizoram		5	0.75
7.	Nagaland		1	0.15
8.	Orissa		18	2.70
9.	Rajasthan		3	0.45
10.	Maharashtra		3	0.45
11.	West Bengal		3	0.45
12.	Haryana		3	0.45

13	Bihar		3	0.45
	Total:	3	53	10.20

(g) Problems faced by Districts Fora

3.22 The Committee had invited comments/ suggestions/as well as problems being faced by the District Fora in the implementation of the Consumer related Act. Several District Fora have furnished their comments which are summarized as under :-

- (i) Non-formation of Consumer Protection Councils at District Level.
- (ii) Ignorance /negligence of Members of the District Fora relating to laws dealing with complaints.
- (iii) Political interference in selection of Members of State Commissions and District Fora.
- (iv) Disposal rate of cases is very slow mainly due to frequent adjournments.
- (v) Location of District Consumer Dispute Redressal Forum (DCDRF) only in State Capitals. Hence it is difficult for average consumer to have easy access to these Fora.
- (vi) Insistence by District Fora upon compromise between complainants and defendants.
- (vii) Non-provision of laboratories for analysis of sample at District level.
- (viii) Delay in posting of Members /President by State Governments.
- (ix) State Governments do not release funds for District Fora in time.
- (x) Many District Fora are still working in formalized legal set up and insist on usual methods of affidavits, courts fees, vakalatnamas etc. as opposed to informal flexible manner as mentioned in the Act.
- (xi) The District Fora have no executing agency for serving notices etc. under their control and has to depend on an external agency, which undermines the role and importance of District Fora.
- (xii) Most District Fora feel that sections 25 and 27 of the Consumer Protection Act were more consumer friendly earlier before the amendment of the Act. Under Section 25(3) the District Collector has been held responsible for recovery of amount as arrears of land revenue.
- (xiii) The District Collector is frequently on tours and is not easily accessible to litigant public or consumers.
- (xiv) Before the amended Act, every order of District Fora was to be enforced as if it was a decree made by a Court in a civil suit. This gave ample powers to District Fora to enforce the order by attaching account of the person concerned, arresting him or keeping him behind bars. Now this provision has been abolished and only interim order passed by District Fora can be enforced. Only provisions now exist for enforcement of orders of District Forum (under section 27), which is in the shape of penalties. Many District Fora feel that earlier provision was more quick and useful. Provision of penalty should be made the

last resort and before that some provision be made to enforce final order of District Fora as was available in the Act before amendment.

- (xv) One of the handicaps of the Act is that the Forum cannot take initiative or take suo moto action against unscrupulous traders and service providers. It can act only when a complaint is presented before it.

3.23 The Committee note that a three tier quasi judicial redressal mechanism has been established at National, State and District levels as per the provisions made under the Consumer Protection Act, 1986 to resolve the consumer grievances speedily and cheaply. Whereas the responsibility of the National Commission rests with the Union Government, the responsibility of setting up as well as effective functioning of State Commissions and District Fora lies with the respective State Governments/Union Territory Administrations. The Union Government is further supplementing the efforts made by the State Governments by releasing one-time grants to District Fora for creating adequate infrastructure. Besides, various amendments in the aforesaid Act have been made for the smooth functioning of District Fora. In addition, the Department is taking proactive action to impress upon the State Governments to take desired action for the effective functioning of these Fora. In spite of the best of the efforts made by the Union Government, as many as 22 District Fora have been reported as non-functional. The Committee further note that non-functional District Fora exist in various States viz. Arunachal Pradesh, Assam, Bihar, Nagaland, Tamil Nadu, Gujarat, Uttar Pradesh, Chattisgarh, Kerala and Rajasthan. The various factors responsible for non-functional District Fora have been addressed in detail in the subsequent paras of the report. Here, the Committee may like to emphasize that the Department should find out State specific reasons for non-functional District Fora and persuade the State Governments/Union Territory Administrations to take corrective action in this regard. Besides, the Committee recommend that

the district forum should be constituted expeditiously in a newly created District.

The Committee may also be kept apprised.

3.24 The Committee further note that there are a large number of pending cases in the National Commission, State Commissions and District Fora. The average percentage of disposal of cases in the case of National Commission has been reported to be 81.3 per cent whereas percentage disposal of cases in State Commissions and District Fora is 70.16 and 89.59 per cent, respectively. The Committee find from the information provided by the Department that the problem of infrastructure is more acute in case of District Fora, thus making the District Fora non-functional. However, looking into the overall percentage of disposal of cases, the Committee note that District Fora are doing comparatively well. The Committee would like the Department to analyze the aforesaid data of disposal of cases carefully and find out the specific reasons for lesser disposal of cases in State Commissions. The Committee may also be informed in this regard.

3.25 While noting the State-wise position of disposal of cases, the Committee find that in some of the States, the position is not satisfactory. As regards the performance of State Commissions, worse is the position in Uttar Pradesh and Mizoram where the percentage disposal is only 29.13 and 33.70 per cent, respectively. In progressive State of Maharashtra, the percentage disposal of cases is just 56.19 per cent. As regards the position of District Fora in Bihar, Dadra and Nagar Haveli, Jammu and Kashmir, Mizoram, Tripura, Uttar Pradesh, the percentage disposal of cases is less than 80 per cent. The Secretary during the course of oral evidence has acknowledged that the time limit of disposal of cases prescribed under the Act i.e. within 90 to 150 days is seldom adhered to.

The Secretary has also informed that in Punjab, a novel way of clearing the backlog of cases by holding the Lok Adalats has been adopted. Further, the Committee while examining the Demands for Grants (2007-08) (refer Para 4.22 of Nineteenth Report) had also been informed that an amendment to the Consumer Protection Act to have Circuit Benches or Circuit Sharing Mechanism by District Fora is being worked out. In the system of Circuit Benches or Circuit Sharing, District Fora may hold their sittings at the Tehsil or Block Headquarters in case there are large number of cases. The Committee feel that the system of Lok Adalats adopted by the Punjab Government needs to be replicated in other States where there is bulk pendency of cases. Besides, there is an urgent need to take an early decision on the issue of Circuit Benches or Circuit Sharing Mechanism by District Fora for speedier disposal of cases pending with respective District Forum. The Committee recommend to the Department to take the desired action in this regard. The Committee also recommend that the Department should review the position of pendency of cases on quarterly basis and issue necessary instructions to the respective State Governments for speedier disposal of cases.

3.26 The Committee are concerned to note almost negligible number of cases filed in the District Fora in some of the States/UTs. From the data made available by the Department, the Committee note that in Daman and Diu, not even a single case was filed in the State Commission and District Fora since inception. Besides, in various North-Eastern States and Lakshadweep, the number of cases filed are very marginal. The Committee feel that the lack of awareness about the rights as a consumer is the main reason for reporting of almost nil or marginal cases in the aforesaid

States/UTs. The Committee recommend to evolve a strategy to have an aggressive consumer awareness campaign in these States in consultation with the respective State Governments/Union Territory Administrations.

3.27 The Committee further note that consumers in remote and far-flung areas, consumers have to come to the District Headquarters for filing of cases. Similarly the State Commissions are located in the respective State capitals. The distance as well as the lack of connectivity deter the consumers to come to the District Headquarters/ State Capitals. In view of the aforesaid scenario, the Committee feel that there is an urgent need to work out some mechanism whereby the Consumer Grievance Redressal Mechanism is available at the doorstep of the consumers. By and large, holding of Lok Adalats and Circuit Benches at the Block Headquarters may provide solution to this problem. The Department should consider the aforesaid difficulties being faced by the consumers in far-flung /difficult areas and evolve some solution in this regard. The Committee may also be kept apprised.

3.28 The Committee have been informed that another reason which has impeded the disposal of cases in time as well as non-functional status of some of the District Fora is failure to fill the vacancies in the State Commissions and District Fora. From the data provided by the Department, the Committee note that District Fora are worst affected by the problem of vacancies. In various District Fora, 49 posts of President and 181 posts of Members are lying vacant. The Committee also find that various provisions have been made in the Consumer Protection Act through amendments to resolve the problem of vacancies. For example, the provision that the senior most Member may

preside over the Consumer Fora, if the President is absent for any reason and the provision of reappointment of President and Members of Consumer Fora are some of the amendments made in this regard. In addition, various instructions to State Governments to maintain a panel of Presidents and Members to fill vacancies arising in the District Fora are repeatedly being issued by the Department. In spite of this, the problem of vacancies persists in State Commissions and District Fora. The Committee therefore, strongly recommend that the vacancy position in all the District Fora across the country should be reviewed regularly and all out efforts be made to fill the vacancies at the earliest.

3.29 In most of the States, salary of a High Court Judge is being provided to the President of a State Commission and salary of a District Judge to the Presidents of District Fora. In the States where aforesaid provision has not been made, the variation in the salary and allowances paid to President and Members of State Commissions and District Fora is quite glaring. The Committee further find that in many of the States/UTs, provision has been made to pay the remuneration to Members of State Commissions and District Fora on daily basis. Further, the honorarium paid to Members of State Commissions as well as District Fora is very low in case of some of the States. For example, in Meghalaya, honorarium paid to Members of State Commissions as well as District Fora is as low as Rs. 75 per day. In Lakshadweep, Rs. 150 is provided as per day honorarium to Members of State Commissions and Rs. 100 to Members of District Fora. On the other hand some of the States are paying very attractive honorarium/ remuneration to President and Members. For example, in Chandigarh, besides the fixed monthly amount of Rs. 26,000, allowances and perks are also being provided. From the aforesaid scenario of disparity in the salary and honorarium structure of President and other Members of State Commissions and District Fora, the Committee find that perhaps the low salaries have dissuaded suitable candidates to take up assignments in State Commissions and District Fora. The low salary and honorarium structure has failed to attract the best available talent in the field. The Committee further note that the Department has been passing resolutions to bring about a uniformity in the salary and honorarium being paid to President and Members of different State Commissions. However, the State

Governments and UT Administrations are not implementing the resolutions. The Committee strongly recommend that the matter may be taken up with all the State Governments and Union Territory Administrations at the highest level so that the problem of pending vacancies and inadequate remuneration could be resolved.

3.30 Besides the problem of vacancies, various Consumer Fora are also facing the shortage of adequate supporting staff. The Committee have been apprised that supporting staff for District Fora is normally borrowed from the local Food and Civil Supply Department of the State Government. The Committee note that the casual approach of the State Governments in this regard has led to the ineffective functioning of District Fora. The Committee recommend that there should be All India /State service which can cater to the need of supporting staff of different levels of Consumer Fora at National, State and District Level.

3.31 The Committee note that most of the District Fora are suffering for want of adequate infrastructure and other basic amenities/necessities. The Committee feel that this acts as a deterrent in quick disposal of cases and thereby causes pendency of consumer cases. In this context, the Committee desire that the grants to all District Fora be provided for improving infrastructure facilities at the earliest. It has been brought to the notice of the Committee that many States do not take active interest in consumer related activities. In order to inculcate the feeling of welfare of consumers, the Committee desire that a Model District Fora funded by the Central Government needs to be set up in each State. The experience gained from such Model District Fora should be replicated in other districts of the State.

3.32 The Committee take note of various problems faced by District Fora in the implementation of the Consumer Protection Act. Some of the problems faced by these District Fora include non-formation of District Consumer Protection Councils at District levels, ignorance of Members of District Fora about prevailing laws relating to complaints, political interference in selection of Members of State Commission, District Fora and Consumer Forum, frequent adjournments, absence of labs for analysis at District level and failure to release funds by State Governments. The insistence by District Fora on compromise between the complainant and defendant, is another factor, which impedes the implementation of the Consumer Protection Act leading to delay in delivering justice to the consumers. The Committee are of the view that the problems highlighted by various District Fora as given in detail in the preceeding para number 3.22 of the report are genuine and merit due consideration by the Government. The Committee desire that result oriented action be taken by the Centre/State Governments in this regard. The Committee would like to be apprised of the action taken by the Government in this regard.

CHAPTER IV

CONSUMER WELFARE FUND

4.1 In 1991 the Central Government amended the Central Excise and Salt Act, 1944 to create the Consumer Welfare Fund. The fund has been set up by the Department of Revenue in 1992 and is being operated by the Department of Consumer Affairs. The money which is not refundable to the manufacturers, is credited to the Consumer Welfare Fund. Regarding expanding the sources of CWF, the Department replied that it has been proposed that the fee to be paid by consumers while filing a case in Consumer Forum etc. is deposited in the Consumer Welfare Fund of the respective State/Central Government. The main objective of the fund is to provide financial assistance to VCOs, NGOs, State Governments etc. for promoting and protecting the welfare of the consumers, generating consumer awareness and strengthening consumer movement in the country, particularly in rural areas. Consumer Welfare Fund is playing a significant role in the consumer movement of the country.

4.2 While examining Demands for Grants 2007-08, the following data of funds allocated and utilized was given:-

(Rs. in crore)			
Year	Funds allocated	Funds utilized	Balance
2005-06	31.50	8.56	22.40
2006-07	17.35	6.69	10.66
2007-08	20.60		

4.3 In reply to a question, the Department informed the Committee that there is no proposal to bring the CWF under the ambit of Department of Consumer Affairs from Department of Revenue. When asked whether the objective of setting up CWF has been fulfilled, the Department stated that financial

assistance of more than Rs. 10 crore has been given to the State Governments/VCOs/NGOs and other agencies for undertaking various consumer protection and consumer welfare activities under different schemes. In order to promote the consumer movement throughout the country, the Department has decided to decentralize and transfer the Consumer Awareness and Consumer Club schemes to the State Governments /Union Territory Administrations with effect from 1 April, 2004. Consequently, it has been decided to facilitate the States/UTs to set up their own Consumer Welfare Funds by making a one-time contribution of an amount proportionate to the number of districts, by the Centre (Department of Consumer Affairs) and the State Governments in the ratio of 50:50 (Centre : State). In case of special category States, the ratio will be 90:10 (Centre : State). So far, 19 States and UTs have been sanctioned grant from Central CWF for the purpose.

4.4 The position of seed money given to various States is given below:

State Consumer Welfare Fund-Seed Money given

Other States:

(Rs. in lakhs)

S.No.	State (No. of Districts)	State Share	Central Share	Central share released on	Framing of guidelines for State CWF
1	Andhra Pradesh (23)	131.00	25.00	7-06-05	Submitted
2	Goa (2)	5.00	4.50 (-0.50)	Sanction dtd. 29.3.06*	Not Submitted
3	Haryana (19)	25.00	25.00	16-2-06	Submitted
4	Gujarat (25)	25.00	22.50 (-2.50)	06-4-05	-do-
5	Maharashtra (35)	50.00	46.50 (-3.50)	15-7-05	-do-
6	Karnataka (27)	50.00	47.00 (-3.00)	15-7-05	Not Submitted
7	Orissa (30)	50.00	47.00 (-3.00)	21-4-05	Submitted
8	Punjab (17)	10.00	10.00	14-7-05	Not Submitted
9	Uttar Pradesh (80)	50.00	50.00	31-10-05	Not Submitted
10	Rajasthan (32)	27.00	27.00	5-5/18-11-05	Not Submitted
11	West Bengal (18)	25.00	25.00	10-05-05	-do-
12	Chhattisgarh (16)	25.00	25.00	Sanction dtd 27-09-06*	-do-
13	Tamil Nadu (29)	50.00	50.00	Sanction dtd 13-10-06	-do-

Special Category States:-

(Rs. in Lakhs)

S. No.	State (No. of Districts).	State share	Central share	Central share released on	Framing of guidelines for State CWF
1	Jammu & Kashmir (14)	3.00	27.00	1-9-05	Not Submitted
2	Arunachal Pradesh (15)	6.20	27.00	Sanction dtd 28.3.06*	Submitted
3	Mizorum (8)	3.00	27.00	Sanction dtd. 29.3.06*	Submitted
4	Sikkim (4)	2.50	05.00	30-8-2005	Submitted
5	Uttaranchal (13)	1.50	12.00 (-1.50)	Sanciton dtd 29.3.06*	Not-submitted
6	Tripura (4)	1.00	5.00+4.00	15-7/ 1-9-05	Not submitted

4.5 When asked about the details of States which are yet to set up State level Consumer Welfare Fund, the Department stated that the States and UTs named below are yet to apply / receive assistance in the form of seed money for the State level Consumer Welfare Fund:-

Sl.No.	State / UT	Amount eligible (Rs. In lakhs)
1	Bihar	50.00
2	Delhi	10.00
3	Jharkhand	25.00
4	Kerala	10.00
5	Madhya Pradesh	50.00
6	Chandigarh	5.00
7	Dadra & Nager Haveli	5.00
8	Daman & Diu	5.00
9	Pondicherry	5.00
10	Himachal Pradesh	10.00
11	Assam	50.00
12	Manipur	10.00
13	Meghalaya	10.00
14	Nagaland	10.00
15	Andaman & Nicobar	5.00
16	Lakshadweep	5.00

The above-mentioned States/UTs could not avail of the assistance/Central share of seed money because they have not yet credited their State's share in a permanent, non-lapsable, Non-Plan account. Some States and UTs are in the process of completing the modalities to set up the permanent fund by identifying the other sources of funds that will accrue into the fund once it is established.

4.6 The Department has further stated that the organizations receiving grants from the Consumer Welfare Fund are required to follow the Consumer Welfare Fund Rules, 1992 and the guidelines for sanction of grant from the Consumer Welfare Fund.

4.7 When the Committee asked about the procedure and criteria for funding of NGOs and VCOs engaged in Consumer Welfare, the Department replied that financial assistance from CWF is given on the basis of applications received from organizations eligible as per the Consumer Welfare Fund as well as on the basis of the recommendations of the concerned State Government/District Magistrate/District Collector.

4.8 While examining the Demands for Grants (2007-08) the Department informed that Utilization Certificates amounting to Rs. 46,03,525 are pending from VCOs/NGOs. When asked about the monitoring mechanism to ensure that funds earmarked for CWF are spent for purpose intended for, the Department stated that the organizations who have been provided financial assistance are required to utilize the grant on the various items for which it has been sanctioned, within twelve months of its release. After the completion of the project, the organizations are required to furnish the utilization certificates and other documents as per the terms and conditions of the sanction order. The organizations which have been sanctioned grants are required to settle the same by submission of utilization certificate, progress report, audited statement of accounts etc. and the concerned District Magistrate is informed regarding

sanction of financial assistance to NGOs/VCOs. In addition, evaluation studies are carried out from time to time. No separate cell has been established in the Department of Consumer Affairs to monitor the performance and functioning of NGOs benefited by CWF.

4.9 The Ministry further informed that in many cases the documents submitted by the organizations are incomplete due to which the grants cannot be settled. The organizations are issued reminders to furnish complete papers. No further grants are given to those organizations from whom utilization papers have not been received. The State Governments are also being requested not to sanction grants to the organizations in whose cases the grants have not been settled.

(a) Major Schemes operated under CWF.

(i) Consumer Clubs

4.10 A Consumer Club is set up in Middle /High/Higher Secondary School /College affiliated to a Government recognized Board. A grant of Rs. 10,000 per Consumer Club in the schools/colleges is admissible under this Scheme. The scheme for setting up Consumer Clubs in schools/colleges has been launched with a view to impact consumer education to the school children in an informal manner by involving them in various consumer welfare and consumer protection activities and instilling in them the spirit of protection of consumer rights.

4.11 On being asked by the Committee, whether Consumer Clubs have been set up in schools/colleges in all the States, the Department replied that the scheme has been decentralized and the amount of grant to each State /UT has been worked out in proportion to the number of districts in the State/UT. Consumer Clubs have so far been set up in the States of Andhra Pradesh, Tripura, West Bengal, Maharashtra and NCT of Delhi.

(ii) Central Consumer Protection Council (CCPC)

4.12 With an objective to promote and protect the rights of the consumers, an apex body known as Central Consumer Protection Council is functioning at the Centre. The Chairman of the Council is the Minister for Consumer Affairs. The Council has representatives from the Ministry of Consumer Affairs of all the State Governments/UTs, Ministers of the Central Government autonomous bodies, VCOs, consumer activists, representatives of the women, farmers, trade and industry and also persons capable of representing consumer interest. Similar Council also functions in each State to promote and protect the rights of the consumers. A provision was made in the Consumer Protection

(Amendment) Act, 2002 which mandates the States to establish District Consumer Redressal Councils at the district level to strengthen consumer movement at the grass root level.

4.13 When the Committee enquired whether all States and Districts have set up Consumer Protection Councils, the Department stated that as per information available, all the States have set up their State Consumer Protection Councils. The provision of setting up of the District Consumer Protection Councils have come into force w.e.f. 15 March 2003.

4.14 Asked whether the meetings of Central and State Consumer Protection Councils are being held as per norms and if not, the reasons thereof, the Department stated that the Act provides for the Central Consumer Protection Council (CCPC) to meet at least once a year and State/District Consumer Protection Councils are to meet at least twice a year. However, these Councils are free to meet more frequently than provided in the Act. In so far as Central Protection Council is concerned, it is meeting by and large as per norms prescribed in the Consumer Protection Act, 1986. The meetings of the Consumer Protection Councils are convened at appropriate intervals keeping in view the business at hand of the Government. The composition of the CCPC has recently been revised and accordingly the new CCPC is in the process of being reconstituted. After the CCPC is reconstituted, the meeting of the CCPC would be convened. No specific reasons for not holding the meetings of State/District Councils have been indicated by the States/UTs. The States/UTs are being persuaded to ensure holding of the meetings regularly.

4.15 To a query about holding the meeting if 2/3rd members of the council so desired, the Department stated that there appears no necessity of making it mandatory for holding the meetings of the Council when 2/3rd members desire so. This was one of the recommendations of the Working Group. It may be

appreciated that such provisions are likely to be misused by the non-Governmental organizations.

4.16 When the Committee enquired about the recommendations made by CCPC and follow up action taken thereon, the Department stated that the recommendations of the Councils are not binding on the Government. However, the suggestions of the Council are taken up with the concerned agencies for appropriate action. Some of the important suggestions received from the Central Consumer Protection Council are as under:

- (i) Constitution of Working Group for amendment of the Consumer Protection Act, 1986 resulted in the Amendment Act, 2002 .
- (ii) Declaration of 15th March as World Consumer Rights Day.
- (iii) Setting up of National Awards for consumer organisations for doing exemplary work in the field of consumer protection.
- (iv) Initiating the concept of 'Citizen Charters' on the lines of U.K. model.
- (v) Consumer Welfare Fund to be with the Department of Consumer Affairs.
- (vi) Establishment of separate Directorate of Consumer Affairs under the Ministry of Food and Consumer Affairs.
- (vii) Adopting declaration of 'maximum retail price inclusive of all taxes" on the packaged commodities as a only option, deleting the other three options of declarations.
- (viii) Bringing of more appliances under the BIS certification.
- (ix) Grant of financial assistance to consumer organizations by the Central and the State Governments.
- (x) Activation of the State Consumer Protection Councils
- (xi) Getting printed publicity in all the regional languages and distributing them free of cost.

4.17 When the Committee inquired whether there is a proposal to establish a separate Directorate of Consumer Affairs and to bring the CWF with Department of Consumer Affairs as recommended by the CCPC, the Department informed that there is no proposal to establish a

separate Directorate of Consumer Affairs under the Ministry and neither there is any proposal to bring CWF under the ambit of Department of Consumer Affairs, as suggested by CCPC.

(v) Citizens' Charter

4.18 The concept of Citizens Charter, as recommended by CCPC was initiated on the pattern of U.K. in the year 1994. To provide a clean, effective and responsive administration at all levels with an emphasis on transparency and accountability, the Government introduced Citizen Charters in a phased manner in the Ministries/ Departments where a large public interface is involved. The Charter incorporates essentially a Citizen's entitlement to public services, wide publicity of standards of performance, quality of services, access to information, simplified procedures of complaints, time-bound redressal of grievances and provision for independent scrutiny of performance.

4.19 Department of Administrative Reforms and Public Grievances has set up a Core Group to formulate and approve the Citizens' Charter of various Ministries/Departments. As per the information made available by the Department of AR&PG, 91 Central Citizens' Charters approved by the Core Group so far are under implementation by different State Governments/UTs. The responsibility for operationalisation/implementation of the Citizens' Charter rests with the concerned Ministries/Departments/ State Governments.

4.20 Besides, the Committee were informed that the Department of Consumer Affairs has prepared its own Citizens' Charter which has been placed on the website of the Department. In addition, BIS and FMC, which are autonomous/attached offices under the Ministry of Food, Consumer Affairs and Public Distribution have also prepared their Citizens' Charter and placed on their websites, which are accessible to all.

4.21 The Committee note that the Consumer Welfare Fund was created in 1991 by amending the Central Excise and Salt Act, 1944. The main objective of the fund is to provide financial assistance to VCOs/NGOs and State Governments for strengthening Consumer Movement in the country. The aforesaid fund was set up by the Department of Revenue in 1992. Subsequently, a separate Department of Consumer Affairs was created in the Central Government in the year 1997 to act as the nodal Department to exclusively deal with the issues related to consumer welfare and awareness. The Committee have been informed that no proposal has been mooted to bring the Consumer Welfare Fund under the ambit of the Department of Consumer Affairs, although

the fund is being operated by the Department of Consumer Affairs. The Committee fail to understand the rationale of placing the Consumer Welfare Fund under Department of Revenue when the operational responsibility rests with the Department of Consumer Affairs. The Committee are further concerned to note that no initiative in this regard has been taken by the Department of Consumer Affairs so far. The Committee feel that the exclusive responsibility of Consumer Welfare Fund should be given to the Department of Consumer Affairs. The Committee urge that the desired action in this regard should be taken by the Government and the Committee be apprised accordingly.

4.22 The Committee further note that the Department has decided to decentralize and transfer the Consumer Awareness and Consumer Club Schemes of the State Governments/Union Territory Administrations with effect from 1 April, 2004. To supplement the efforts made by the States/UTs in this regard, the Government has decided to make a one-time contribution of an amount proportionate to the number of districts by the Centre and the State Governments in the ratio of 50:50 (Centre:State). In case of special category States, the aforesaid ratio is 90:10 (Centre:State). The Committee have further been informed that so far 19 States and UTs have been sanctioned grants from Centre Consumer Welfare Fund for the purpose. Further, 16 States are yet to apply/receive assistance for the State/Local Consumer Welfare Fund. The Department has informed that the aforesaid States/UTs could not avail the assistance/Central share of seed money because they have not yet credited the State share in permanent non-lapsable, non-plan account. The Committee would like the Department to pursue further with the aforesaid States so that the

Consumer Welfare Fund is set up expeditiously to promote the Consumer Movement throughout the country.

4.23 The Committee note from the information made available by the Department that out of 19 States which have been sanctioned grant from Central Consumer Welfare Fund, 11 States/UTs have so far not submitted the guidelines for State Consumer Welfare Fund. The Committee also note that the organizations receiving grant from the Consumer Welfare Fund are required to follow the Consumer Welfare Fund Rules, 1992 and the guidelines for sanction of grants from the Consumer Welfare Fund. The Committee fail to understand non-submission of status of framing of guidelines for State Consumer Welfare Fund by most of the State Governments. The Committee are of the view that there is an urgent need to have strict monitoring of the implementation of various activities for which funding is being granted out of the Consumer Welfare Fund. The Committee would like the Department to get the information from the aforesaid State Governments and submit to the Committee. Further, the States which have not so far framed the guidelines should be asked to do this expeditiously.

4.24 The Committee while examining the Demands for Grants (2007-08) had expressed serious concern over non-utilization of funds earmarked for the schemes/ projects out of Consumer Welfare Fund (refer Para 4.54 of Nineteenth Report). The Committee had noted that only one-fourth of the amount provided under Consumer Welfare Fund was being used by the State Governments. The Committee had also expressed serious concern

over non-submission of Utilization Certificates by various NGOs/VCOs. The Committee are of the firm opinion that an effective monitoring is required to ensure that only credible NGOs/VCOs are provided funding out of the Consumer Welfare Fund. The Committee would like to be apprised of the number of NGOs/VCOs who have been provided assistance from the Consumer Welfare Fund so far, along with the number of NGOs/VCOs who have been blacklisted. The Committee would like to reiterate their earlier recommendation to put the name of the blacklisted NGOs on the website of the Department so as to ensure that no Government funding is made to these blacklisted NGOs.

4.25 The Committee further note that 'Consumer Clubs' is one of the schemes operated under Consumer Welfare Fund (CWF). Under the aforesaid scheme, a consumer club is to be set up in middle, higher and higher-secondary school/college affiliated to a Government Recognized Board and a grant of Rs. 10,000 per Consumer Club in the schools/colleges is admissible under this scheme. The Committee note that Consumer Clubs could be set up only in the States of Andhra Pradesh, Tripura, West Bengal, Maharashtra and NCT of Delhi. The Committee note that for effective Consumer Movement in the country, children need to be involved and Consumer Clubs are the best way for instilling in children the spirit of protection of consumer rights. The Committee would, therefore, like the Department to pursue further with the remaining States/UTs to ensure that Consumer Clubs are set up in each of the schools/colleges.

4.26 The Committee note that Central Consumer Protection Councils were set up at Centre and State levels to promote and protect the rights of the Consumers. Consumer Protection Act mandates the States to establish District

Consumer Redressal Councils at the District Level to strengthen consumer movement at the grass-root level. The Committee note that the performance of Central, State and District Consumer Protection Councils (DCPCs) is far from satisfactory. The Committee feel that these agencies need to be made more accountable, responsible and effective so as to ensure justice at the doorsteps of consumers. The Committee note that these Councils have been entrusted with the responsibility of raising issues concerning welfare of consumers and also give recommendations to this effect. The Committee note with concern that the sittings of Consumer Protection Councils are not held regularly. At times, meetings are not held at all. The Committee feel that there is a need to place a mechanism by which sitting of the Council be convened, if 2/3rd Members of the Council so desire. The Committee also feel that though the recommendations of the Councils are not binding on the Government still, due consideration needs to be given to the recommendations of these Councils. The Committee note that District Consumer Protection Councils are headed by District Magistrates who are unable to devote much time due to their preoccupation in other pressing matters. As such, District Magistrates are not able to do justice to these bodies. The Committee desire that Government should find ways and means and ensure that officials, who can devote time and energy, head these bodies and able to do justice to the work assigned.

4.27 The Committee note that the concept of Citizens' Charter was introduced in the year 1994 to provide a clean, effective and responsive administration at all levels with an emphasis on transparency and accountability. The Government introduced Citizens' Charter in a phased manner in the Ministries/Departments where a large public interface is involved. As on date only 91 Central Citizens'

Charters have been approved and are under implementation by different States/UTs. The Committee have also been informed that the Department of Consumer Affairs has prepared its own Citizens' Charter. Besides, BIS and FMC have also prepared their Citizens' Charter which is available on the website of the Department. The Committee desire that action on fast track basis needs to be initiated to cover the remaining agencies/authorities who have not yet formulated Citizens' Charter. As the Charter incorporates citizens entitlement to public services, quality of service, access to information and time bound redressal of grievances, etc the Committee desire that wide publicity be given to the Citizens' Charter so that people can take advantage of their entitlements etc. The Committee would like to be apprised of the action taken in the matter.

4.28 The Committee find that the main objective of the Consumer Welfare Fund was to generate consumer awareness and strengthen Consumer Movement through various programmes funded out of Consumer Welfare Fund, particularly in rural areas. The Committee would like to be informed about the number of schools/colleges in rural areas who have been provided assistance under the scheme Consumer Club. The Committee emphasize to monitor the various activities/projects funded out of the 'Consumer Welfare Fund' separately for rural areas so as to know about the fulfillment the objectives of creating the aforesaid Fund.

CHAPTER V

NATIONAL ACTION PLAN ON CONSUMER PROTECTION

5.1 Consequent upon the decision taken in the 50th National Development Council (NDC) meeting held on 21 December 2002, Consumer Protection was identified as a thrust area, and the Department of Consumer Affairs has been assigned evolving a National Action Plan for Consumer Awareness and Redressal and enforcement of Consumer Protection Act, 1986'. The State Governments have also been provided with a copy of the National Action Plan to enable them to evolve their own State Action Plan to strengthen the consumer movement in the country. The National Action Plan proposes undertaking of consumer awareness programmes by educating more than 100 crore of people of various categories on various subject matters of consumer interest. A media Plan has also been prepared in consultation with the DAVP.

5.2 The Department has further informed that the National Action Plan proposes to evolve a National Policy on consumer protection so that priority concerns of consumers are addressed systematically by all stakeholders and other Ministries/ Departments of Central and State Governments.

5.3 The Committee note that a National Action Plan which proposes to educate more than 100 crore of people of various categories on various subject matters of consumer interest has been prepared by the Department. Besides, a media Plan has also been prepared in consultation with the DAVP. The State Governments have also been asked to evolve their own State Action Plans to strengthen the consumer movement in the country. The Committee emphasize on the implementation of the targets fixed under the National Plan. Besides,

State Governments may also be pursued further for the finalisation of State Plans expeditiously.

5.4 The Committee further note that the Action Plan proposes to evolve a National Policy on consumer protection. The Committee recommend that the policy should be framed expeditiously so that it can provide necessary direction and guidelines to various Ministries of the Union as well as the State Governments in setting priorities for consumer awareness and consumer protection and also to make them more responsive to the causes of consumers.

CHAPTER VI

WORKING GROUPS

6.1 The Committee have been informed that as per the decision taken at the 23rd meeting of the CCPC held on 16 July 2003, six Working Groups have been set up by the Department to consider ways and means for protecting interests of the consumers. Names of the Working Groups alongwith their present status are given below:-

S.No	Name of the Working Group	Status
1.	Food Safety	Recommendations contained in the report of the Working Group have been forwarded to the MHFW and MFPI for consideration. Response from MHFW received.
2.	Misleading Advertisements	The report of the Working Group is under finalization.
3.	DRUGS, Pharmaceuticals and Medical Devices/ Equipments	Recommendations contained in the report of the Working Group have been forwarded to the concerned Ministry/Departments, for consideration.
4.	Consumer Health & Safety concerning Tobacco & Tobacco Products.	Recommendations contained in the report of the Working Group have been forwarded to the concerned Ministries/Departments, for consideration.
5.	Counterfeit, Fake, Spurious, Contraband Products	The report of the Working Group is under finalization.
6.	To formulate the following New Acts / make suggestions for improvement in the existing Acts relating to the interests of Consumers.	The Committee while examining the Demands for Grants (2007-2008) has been informed that the draft amendment proposals have been prepared based on the recommendations of the Working Group.

6.2 When the Committee enquired about the follow up action on the recommendations of a five Working Groups concerning consumer interests, the Department stated that the recommendations of the respective Working Groups

have been circulated amongst the concerned Ministries/Departments,States/Agencies for their consideration. The Ministry of Information and Broadcasting is in the process of reviewing its policy and advertising codes for which they have constituted a Committee. The Ministry of Information and Broadcasting has yet to finalize its decisions in this regard. The Working Group on Misleading Advertisements will finalise its Report after looking at the decisions taken by the Ministry of Information and Broadcasting. The action taken reports in respect of the recommendations made by the Working Group on Food Safety, Working Group on Counterfeit, Fake, Spurious and Contraband products, Working Group on Consumer Health and Safety concerning Tobacco and Tobacco Products, Working Group on Drugs, Pharmaceuticals and Medical Devices/Equipments are awaited from many of the agencies. On being asked whether these recommendations have been accepted and the changes brought in various statues, the Committee have been informed that recommendations made by the respective Working Groups are not binding on the Government and it is for the concerned agencies to consider these recommendations on merits.

6.3 The Committee note that a number of Working Groups have been set up by the Government to consider ways and means of protecting the interests of consumers. Such Working Groups include, 'Food Safety', 'Misleading Advertisement', 'Drugs, Pharmaceuticals and Medical Devices/Equipments', 'Consumer Health and Safety concerning Tobacco & Tobacco Products', 'Counterfeit, Fake, Spurious and Contraband products'. A Working Group has also been set up for suggesting improvement in the existing Acts relating to the interests of consumers. The Committee understand that Reports of some of the

Working Groups have been submitted and others are still under the consideration of the Government. The Committee would like to be apprised of the recommendations made by each of the Working Group set up for the purpose and the follow up action taken by the Government. The Committee would like that the Department should regularly follow up the implementation of these recommendations with the concerned Ministries. The Committee would also like to be informed of the steps taken by the Government in amending the relevant statutes, on the lines suggested by the Working Group for the purpose.

CHAPTER VII

NATIONAL CONSUMER HELPLINE

7.1 The Department has sponsored a project on 15 March 2005 namely “National Consumer Help Line” with toll free facility 1800-11-4000 in consultation with Delhi University for giving proper guidance to consumers in solving their grievances and to provide information, advice and guidance to consumers about grievances against services and products. This help is accessible between 9.30 a.m. and 5.30 p.m. from Monday to Saturday, from a landline (MTNL or BSNL) anywhere in India. The services are available in English and Hindi at present.

7.2 The National Consumer Helpline project was sanctioned by the Department at a total project cost of Rs.3,12,89,420 National Consumer Helpline is managed by the Department of Commerce, Delhi School of Economics, University of Delhi. It was launched on 15 March 2005 on the occasion of World Consumer Rights Day. The National Consumer Helpline advises consumers to deal with problems related to defective products, deficiency in services and unfair trade practices. The Helpline follows a three-tier approach, as given below:-

- (i) At the first instance, a consumer will be given information on his rights in a particular consumer problem and whom he/she should approach in the company concerned;
- (ii) In case the problem remains unresolved, he/she would be directed to industry level bodies or Chambers of Commerce and Industry, Regulator (as they exist in sectors like Insurance and Banking) or the Government officials in charge of the relevant industrial sector;
- (iii) As a last resort, the consumer will be advised to take his case to the Consumer Courts under the Consumer Protection Act.

7.3 When enquired about the achievement of this helpline in promoting consumers welfare in the country, the Department in the written note furnished to the Committee stated that in its first year the total number of calls received were 62,409 (March 05 to March 06). Between April to September, 2006, National Consumer Helpline received 29,206 number of calls with an average of more than 2,500 calls per month. National Consumer Helpline has received feedback from many consumers who have been able to solve their problems based on guidance provided by National Consumer Helpline.

7.4 The Department has further informed that National Consumer Helpline has started an online redressal system with proactive companies. This involves online transmission of data pertaining to complaints which pour in at NCH to the companies concerned in order to facilitate redressals, outside the Consumer Fora. This is being done with companies who have adopted a proactive approach to complaint redressal and NCH sends the requisite details by email to the designated authority of the company who revert by sending feedback to both the consumer and NCH.

7.5 So far, Standard Chartered Bank, HDFC Bank, HSBC Bank, Citi Bank, ING Vysya Bank, ABN Amro Bank, PNB, Canara Bank and Banking Ombudsman, New Delhi, LG, Samsung and MTNL have joined the voluntary system.

7.6 The Committee note that the Consumer Helpline was launched on 15 March, 2005 on the occasion of World Consumer Rights Day for providing guidance, information and advice to consumers for redressal of their grievances against various services and products. According to the Ministry, the National Consumer Helpline advises consumers to deal with problems related to defective products, deficiency in services and unfair trade practices etc. The Committee, while welcoming the introduction of Consumer Helpline for the benefit of consumers, desire that the consumers be made aware of this service in a big way through electronic and print media. They would like to be informed of the steps taken in this regard.

CHAPTER VIII

CONSUMER GRIEVANCE REDRESSAL CELL (CGRC)

8.1 The Department has been receiving complaints covering a wide range of subjects against manufacturers of goods such as TV, Refrigerator, Motorcycle, Washing Machine, Cars etc. and also against Service Providers like Telecom, Banks, Electricity, Water Supply, Tourist companies and shortfall in supplies/expectations of the consumers for redressal. Up to 31 October 2006, 6179 complaints were received by the Consumer Grievances Redressal Cell (CGRC) from all over the country. All the complaints received by CGRC are immediately forwarded to the Consumer Coordination Council for appropriate advice/guidance to the complainant or to the concerned manufacturers, companies etc for redressal of the grievances of the consumers. As such, no complaints are pending at present in the Department for disposal. The Department set up the Consumer Grievance Redressal Cell (CGRC) on 13 February 2002 to redress the grievances of public, specially in the following categories.

- (i) Sale of defective goods or deficient services and charging of higher prices etc.
- (ii) General grievances including those received from the Cabinet Secretariat and the PMO related to Consumer matters
- (iii) Attending to the consumer complaints appearing in the columns of the newspapers to the extent possible.

8.2 When asked about the legal status of Redressal Cell and whether it is competent to take suo motto action where it finds that the interests of consumers have been or being compromised, the Committee have been informed that the Cell does not have statutory powers. The consumers have the option to go to

the Consumer Forum to get redressal of their grievances as per law. The Consumer Grievances Redressal Cell has been established by the Department of Consumer Affairs on 13 February 2002 to assist the consumers in seeking redressal of their grievances.

8.3 To a query as to how does the mechanism of this Redressal Cell is different from various authorities set up under the Consumer Protection Act, 1986, the Department informed that the Consumer Grievances Redressal Cell and the Consumer Coordination Council are taking up the complaints of consumers to the various authorities concerned including Manufacturers/Dealers, etc. The Core Centre also tries to resolve the complaints through mediation. The various authorities set up under the Consumer Protection Act have statutory powers.

8.4 Asked whether Government have reviewed the working of this Cell and the steps Government propose to take to promote and popularize this mechanism of redressal of consumers' complaints, the Committee were informed that the working of CGRC Cell is reviewed by the Government from time to time. The services of the Core Centre, National Consumer Help Line and VOICE are being utilized by the Government to promote and popularize a mechanism of redressal of consumers' complaints. The Government has been issuing advertisements in the leading newspapers and T.V. for creating greater awareness of consumers' rights.

8.5 The Committee note that Consumer Grievance Redressal Cell (CGRC) was set up by the Department during 2002 to redress the grievances of consumers relating to sale of defective goods, deficient services, overpricing, etc. During the five years of its operation the Cell has received 6179 complaints from

all over the country. All the complaints are forwarded to Consumer Coordination Council for appropriate advice/guidance to the complainant or to the concerned manufacturers, companies, etc for redressal of consumers complaints. The Committee observe that the number of complaints received is too little specifically when the Cell operates at the National level and receive complaints from all over the country. The Committee feel that there is an urgent need to make the people aware of the working of the aforesaid Cell so that more and more consumers get redressal of their complaints through the Cell. The Department should take all the desired action in this regard.

8.6 The Committee further note that the working of the Cell is being reviewed by the Government from time to time. In this regard, the Committee would like to be informed about the mechanism of getting feedback from consumers to know about the satisfaction level of the consumers.

8.7 The Committee also note that the Consumer Grievance Redressal Cell also takes suo moto action by attending to complaints appearing in the columns of the newspapers. The Committee while appreciating the aforesaid mechanism of redressal of complaints of consumers would like to be informed about the number of complaints attended by the Cell as appeared in the various columns of newspapers so as to know the effectiveness of the aforesaid mechanism of redressal of consumer grievances. Besides various grievances received from the Cabinet Secretariat and PMO related to consumer matters are also attended to. The Committee would like to be informed about the nature of issues received through Cabinet Secretariat and PMO.

8.8 The Committee also find that Consumer Grievance Redressal Cell has been set up at the National level and is addressing to complaints of consumers

received from all over the country. The Committee feel that similar Consumer Grievance Redressal Cell need to be set up in various States. The Committee would like that the State Governments/Union Territory Administrations should be persuaded to set up such Cells in each of the State/UT.

CHAPTER IX

CONSUMER RELATED ACTIVITIES OF BIS

9.1 To meet the growing expectations of consumers in the country, BIS has established a separate Department with a specific mandate for providing consumer protection and welfare and dealing with public grievances. This Department maintains liaison with Central Consumer Protection Council, and consumer associations, and co-ordinates with the Ministry of Consumer Affairs and Public Distribution on consumer issues. It is guided in its activities by a Consumer Policy Advisory Committee which advises BIS on all policy matters relating to efficient discharge of the functions and for making standardization and certification activities user-friendly. A well defined procedure has been established for handling complaints. The complaints registered are monitored regularly.

9.2 BIS organizes a large number of awareness programmes for office bearers of Consumer Organizations and for consumers all over the country. Mass media like TV, radio, other electronic media, newspapers, hoardings etc. are used to create awareness among consumers regarding standards, quality and ISI mark.

9.3 On the path of 'total customer satisfaction', BIS had set up a single-window Information and facilitation Cell at its headquarters in New Delhi which became operational since 1997 with the sole aim of providing variety of information /assistance to Indian industries, particularly in Small Scale Sector.

9.4 When the Committee enquired whether proactive steps like laying down specifications and making BIS standards compulsory would eliminate fake, spurious and contraband products, the Department stated as under: -

“At present, 110 items are under mandatory certification. BIS has published 9,540 number of product specifications which specify the requirements of specific products taking into account the concerns of all stakeholders like consumers, manufacturers, research organizations, regulatory bodies etc. which are part of the technical committee deciding on such specifications. The implementation of such specifications is voluntary in nature. Following aspects affecting the public interests, decide whether the product should be brought under mandatory certification :-

- (i) Consumer Health
- (ii) Safety, Security
- (iii) Environment, Infrastructure,
- (iv) Protection of the local population against spurious foreign made goods and
- (v) Items of mass consumption”

9.5 The Department has further informed that BIS has taken pro-active steps to bring 71 more items under mandatory certification and the proposal is under consideration.

9.6 When the Committee enquired whether the Government should devise a mechanism to get a product tested in their own labs on account of prohibitive cost where a consumer does not exercise the option, the Department stated that the provision in the Consumer Protection Act requiring a consumer to pay for the test/analysis of the goods where defects in the goods have been alleged in the complaint has been kept to avoid filing of vexatious and frivolous complaints. The Government do not have laboratories where such tests can be performed free of cost. It may, however be stated here that when a complainant succeeds in the

case, he is liable to get back the testing fee, etc. paid besides other cost as may be decided by the Consumer Forum.

Hall Marking of Gold Jewellery

9.7 BIS has been nominated as the sole agency in India for hallmarking of Gold Jewellery. The Hallmarking Scheme was formally launched by BIS in April 2000 on voluntary basis. Jewellers desirous of operating the BIS Hallmarking Scheme for gold Jewellery have to apply to BIS and get BIS Certification under the Product Certification Scheme. A BIS certified jeweller will have the license to get this Jewellery assayed and hallmarked by any BIS recognized Assaying and Hallmarking Centre. The recognition of Assaying and Hallmarking Centres is done by BIS after ensuring that the Assaying and Hallmarking Centre are following BIS criteria for hallmarking, international norms for sampling, assaying and hallmarking and also have adequate testing facilities, trained and competent manpower. The norms for recognition of these centers have been aligned with those in other parts of the world, in order to ensure the acceptability of the jewellery with 'Indian Hallmark' world over 50 hallmarking centres for gold have been recognized by BIS in the country. The Department has further stated that it is proposed to make gold hallmarking mandatory in India by the year 2008 in order to protect the Indian consumers from being exploited year after year through the sale of gold ornaments of carat lower than paid for by the consumer. In the year 2005-2007 a pilot project on the scheme has been launched at a cost of Rs. 5.75 crore. Under this project, some incentives/assistance/training will be provided for setting up of 71 hallmarking centers. This would ensure that adequate infrastructure is in place for assaying gold ornaments by the time hallmarking becomes mandatory.

9.8 The Committee are concerned to note that only few items are covered in mandatory certification by BIS. Further, BIS has published 9540 number of product specifications which specify the requirements of specific products taking into account the concerns of all stakeholders like consumers, manufacturers, research organizations, regulatory bodies, etc. which are part of the technical committee deciding on such specifications. The Committee note that factors such as Consumer Health, Safety, Security, Environment, Infrastructure, Protection of local population against spurious foreign made goods and items of mass consumption are taken into consideration while deciding whether to include a product under mandatory certification or otherwise. The Committee have further been informed that as against 9540 product certifications, only 110 have been covered and 71 more items are proposed to be covered under mandatory certification. The Committee are not satisfied with the pace with which the items are classified under mandatory certification. The Committee desire that more items should be brought under mandatory certification especially in regard to consumer health, safety, security and items of mass consumption. The Committee would like to be apprised of the action taken by the Government in this regard.

9.9 The Committee note that Hallmarking of Gold Jewellery Scheme was launched by BIS in April, 2000 on voluntary basis and 45 hallmarking centres for gold jewellery have been recognized by BIS in the country. The Government have now launched a Pilot Project at a cost of Rs. 5.75 crore to give incentives/assistance/training to Hallmarking Centres. The

Committee have been informed that there is a proposal to make gold hallmarking mandatory by 2008. The Committee feel that making hallmarking mandatory will further protect consumers from being exploited through sale of gold ornaments of lower caratage than what they have paid for. For this, adequate infrastructure in the form of Assaying and Hallmarking Centers are required on a large scale. The Committee desire that work on the pilot project launched for providing incentives / assistance / training for setting up additional Hallmarking Centers be expedited so that adequate infrastructure for assaying and hallmarking gold jewellery is available when the scheme is made mandatory.

CHAPTER X

PROPOSED AMENDMENTS TO THE CONSUMER PROTECTION ACT.

10.1 The Committee observed that Indian economy is witnessing tremendous/exponential growth in the Capital and Commodity Markets. Cases are not rare, where the consumers have been cheated and there has not been any effective mechanism to redress their grievances. When the Committee wanted to know whether the consumers who have invested or propose to invest in any financial instrument would come within the definition/purview of a consumer, the Ministry in a written reply stated that as the law stands today, prospective investors e.g. applicants for shares etc. are not covered within the definition of consumer as provided in the Consumer Protection Act, 1986. However, after the transactions are over and the shares etc. are allotted in the name of the investor, one becomes a consumer. Thereafter such person can move the Consumer Forum with regard to any dispute/grievance. A proposal to bring persons such as prospective investors within the definition of consumer is under consideration. This was one of the recommendations of the Working Group.

10.2 When the Committee enquired whether there is a need to withdraw levy of fee prescribed before a complaint is filed under the Consumer Protection Act, the Department replied that the experience of the Department of Consumer Affairs has been that the system of payment of fees for filing complaints in Consumer Forums has been working well and hence there appears no necessity of withdrawing the levy of fee for filing complaints. The law already exempts poorest of the poor viz. Antyodaya Anna Yojana Card holders from the requirement of payment of fee for filing complaints upto Rs.1 lakh.

10.3 When the Committee enquired whether refusal to issue bills/cash memo/receipt etc. by the seller or service provider is actionable under the present Act, the Ministry in their reply stated that refusal or failure to issue bills/cash memo/receipt etc. is proposed to be covered as one of the unfair trade practices under the Consumer Protection Act to protect the interest of consumers.

10.4 The Committee have noted that a number of manufacturers and traders resort to different types of games and schemes for promoting sale of their products. In many cases, the consumers are cheated as there is no remedy to a consumer to claim compensation in the event of cheating. There is no regulating mechanism for such games and shows. When the Committee enquired whether the Government have thought of any action for including regulating mechanism against manufacturers and traders resorting to different types of games and schemes for promoting sale of their products and thereby cheating the consumer, the Department has stated that there is a proposal to amend Section 2(1)(r)(3) of the Consumer Protection Act to effectively protect the interest of consumers from such practices of the trade and industry.

10.5 At present, services rendered on consideration are included within the purview of the present Act. There have been deficiencies on the part of Municipalities in providing services, which are mandatory in nature, such as, garbage clearance, health and medical service, drinking water, drainage including strong water drainage, street light etc. On being asked by the Committee whether the Government propose to include mandatory Municipal

Services within the ambit of this Act, the Department replied that no such proposal is under consideration. Though a recommendation was made by the Working Group to the above effect. On consultation with the Central Ministries/Departments, State Governments and National Consumer Disputes Redressal Commission (NCDRC), the matter was reconsidered. Since it has lot of administrative and financial implications and the service providers from the State Governments as well as many of the Central Ministries/ Departments strongly expressed their inability to provide expected standards due to various resource/capacity constraints they face and it was felt that this is not the appropriate stage to make such a provision and it was decided to defer the proposal.

10.6 The Committee have observed that the booming economy of the country witnessed an upsurge in the prices of housing. Taking undue advantage of demand supply equilibrium, the various Housing Authorities in Government and private sector are attracting promising investors/consumers. Recently, DDA, GDA, Greater Noida and HUDA announced their housing schemes for different categories of consumers. Surprisingly, brochure containing information about the scheme were priced between Rs. 160 to 1000. The Committee feel that this is a monopolistic trend especially in housing sector and amounts to cheating of consumers. The Committee have noticed similar trend in admission to professional colleges such as Engineering, Medical, Pharmacy, Architect etc. where not only the prospectus are highly priced but the counseling conducted for induction into such courses are also exorbitant and varies from Rs. 1000 to Rs. 5000 in some of the cases. When enquired whether any action is proposed to be taken against these Government and private agencies who are cheating

consumers in the name of shortage of housing and education in the country and pricing their brochures and prospectus exorbitantly, the Department stated that in the current liberalized regime, it is the market forces which should determine the price at which a good or a service is made available to a potential consumer.

10.7 In the era of E-transaction, there has been aggressive marketing and sales of product and services via telephonic, internet and other modes of transaction. In these cases the consumer does not have any opportunity of examining the products or service prior to purchase. Fleecing or looting of consumer cannot be ruled out in such transactions. There is a need to provide some period say 30 days within which the service provider may withdraw the goods or services and refund the consideration, if paid within the stipulated period. This will provide an opportunity for consumer to return the product or seek withdrawal of service and consideration will be paid without having to file a complaint in the Consumer Forum. When the Committee asked whether there is any proposal to protect the interests of the consumer in case he wants to return a product or seek withdrawal of service without having to file a complaint in the Consumer Forum, the Department in reply stated that there is a proposal to introduce a provision to tackle these kinds of transactions.

10.8 The Committee have been informed that payment towards analysis/test of any goods, acts as deterrent in asserting one's rights under Consumer Protection Act, 1986. Cases/instances cannot be ruled out where a consumer does not exercise the option of getting a product tested on account of prohibitive cost. On being asked by the Committee whether there is a proposal to remove the provision of payment towards analysis/test of any goods and whether the Government proposes to devise a mechanism to get lab test undertaken in its

own labs, the Government in their reply stated that the provision in the Consumer Protection Act requiring a consumer to pay for the test/analysis of the goods where defect in the goods have been alleged in the complaint has been kept to avoid filing of vexatious and frivolous complaints. The Government do not have laboratories where such tests can be performed free of cost. It may, however, be stated here that when a complainant succeeds in the case, he is liable to get back the testing fee etc. paid besides other cost as may be decided by the Consumer Forum.

10.9 It has been brought to the notice of the Committee that there are situations where the consumers have no choice but to accept unilateral one-sided terms of contracts (Corporation, Firms, courier service, financial institutions and DSA) while purchasing goods or availing services . These unilateral provisions also generally disclaim and deny any responsibility for serious defects, deficiencies and delays (for example; goods once sold will not be taken back and sometimes restrict the liability for loss of goods, articles etc. to a paltry sum of Rs. 100 to 1000 only, irrespective of the value of the goods lost or misplaced or its potential to cause loss). Similarly, certain manufacturers and service providers also restrict their liability to a short period of time, (for instance, in warranty cards) even though the durable life of the goods sold or the service performed are designed for a much longer time. All these instances undoubtedly point towards exploitation of consumers. There is no remedy available under the present Consumer Laws.

10.10 When the Committee enquired whether the Government propose to amend the Consumer Laws in this regard, the Department stated that any contract or any condition of contract between two parties of unequal bargaining

capacities, if they are one sided, unilateral or unfair to the weaker party, such contracts/ or conditions of contracts are unconstitutional, illegal and unenforceable. This is the ruling of the Supreme Court in the case of LIC vs. CERC (AIR 1995 SC 1811). Hence, there is a proposal to cover all these unfair terms of contracts as per the law laid down by the Apex Court, in the form of unfair trade practices in the definition itself.

10.11 The Committee have also been informed that many telemarketing companies, credit card companies etc. share the data of a consumer without his knowledge and pass it on to other agencies. This needs to be capped and disclosure of information given in confidence by the consumer needs to be included as deficiency of service.

10.12 Regarding other initiatives taken by the Department in the field of Consumer Affairs, the Committee have been informed that a National Consumer Product Safety Commission is proposed to be set up by the Department which is still in the proposal stage. The broader objective of this scheme is to put in place a Commission/Authority through an Act of Parliament for ensuring safe goods and services in the market to the consumers on the pattern approved by some developed countries of the world. The Memorandum of Understanding (MoU) on Consumer Product Safety was signed between the Department of Consumer Affairs and the United States Consumer Product Safety Commission in January, 2006. The details of activities to be undertaken under this MoU have yet to be finalized between the two sides. The Department of Consumer Affairs is contemplating the setting up of an Authority, which would inter alia perform the role similar to United States Consumer Product Safety Commission.

10.13 The Committee find that as the law stands today, a prospective investor i.e. applicants for shares, etc. is not covered within the definition of consumer as provided for in the Consumer Protection Act, 1986. However, after the transactions are over and the shares etc. are allotted in the name of investor, one becomes a consumer. Thereafter such person can move the Consumer Forum with regard to any dispute/grievance. It has further been brought to the notice of the Committee that this was the recommendation of one of the Working Groups and a proposal to bring persons such as prospective investor within the definition of consumer is under consideration of the Government. The Committee are of the view that cases are not rare where a prospective investor has been cheated and there has not been any effective mechanism to redress his grievances. The Committee hope that in the interest of the consumers at large, the Government would make efforts to bring such people within the definition of consumer without any further loss of time.

10.14 The Committee note that the Consumer Protection Act has been enacted for providing simple, quick and inexpensive justice to all consumers. The Committee are aware that exemption has been given to “Antyodya Anna Yojana” beneficiaries from payment of fee for filing of complaints upto Rs. 1 lakh. The Committee feel that as consumer protection is at a nascent stage and also as the fee charges are not enough to deter frivolous litigants, there is no need to levy fee for filing of complaints by consumers.

10.15 It has been brought to the notice of the Committee that in many instances, the seller or service provider either refuses or do not issue bills, cash memo, receipt etc. to the consumer on purchase. As a result, no actionable claim can be filed under Consumer Protection Act. The Committee have been informed that the refusal or failure to issue bills/cash memo/receipt etc. is proposed to be covered as one of the unfair trade practices under the Consumer Protection Act. The Committee desire that the Act be amended to take care of above infirmities.

10.16 The Committee find that manufacturers and traders resort to different types of schemes to promote sale of their products. Sometimes there is compromise on the quality of the products to compensate the cost of providing attractive schemes. The consumers are thus cheated, as they do not get the value of the money spent to purchase the product. The Committee find that at present there is no regulating mechanism in this regard. The Committee note that the Department propose to amend Section 2(l)(r)(3) of the Consumer Protection Act to effectively protect the interests of consumers from such practices of trade and industry. The Committee would like to emphasize to finalize the aforesaid proposal expeditiously so as to protect the interests of consumers.

10.17 The Committee note that services rendered on consideration are included within the purview of the present Consumer Protection Act. In the opinion of the Committee, one of the major problem areas has been deficiencies on the part of Municipalities in providing services which are mandatory in nature. These services include health, medical service, garbage disposal, drinking water, drainage, etc. The Committee have been informed that one of the Working Groups set up in connection with protection of consumer interest had recommended to bring all mandatory

Municipal services within the ambit of this Act. However, the proposal, after due consideration and consultation, was finally deferred as the service providers from State Governments as well as many Central Ministries/Departments expressed their inability to provide expected standards due to various resources and capacity constraints. The Committee are pained to note that the Government preferred administration and financial constraints over the interests of consumers and deferred the proposal, on the pretext that this is not the appropriate stage for such a provision. The Committee feel that the reasons stated above for deferring the proposal are merely delaying tactics on the part of both Central and State Governments who are shirking their responsibility towards citizens and consumers and denying them a right to good living. The Committee, therefore, recommend that the recommendation of the Working Group to include all mandatory Municipal services within the ambit of this Act be implemented in letter and spirit so as to ensure best services to the consumers.

10.18 The Committee have taken note of the upsurge in the prices in housing sector consequent upon booming economy. Taking undue advantage of imbalance in demand supply equilibrium, various housing authorities in Government and private sectors are inducing consumers. For instance, recently DDA, GDA, Greater Noida and HUDA announced their housing schemes for different categories of consumers. Surprisingly, the brochure containing information about the various schemes of these authorities were priced between Rs. 160 to Rs. 1000. There has been similar experience noticed in the admission to professional colleges for

courses such as engineering, architect, medical, pharmacy and other professional courses where not only the prospectus are highly priced but also the counseling conducted for these courses are also at exorbitant rates and varies from Rs. 1,000 to Rs. 5,000 in some of the cases. The Committee do not subscribe to the view of the Government that in the current liberalized regime, it is the market forces which should determine the price at which a good or a service is made available to a potential consumer. The Government have further stated that the housing board/promoter of housing societies are at liberty in fixing the prices for different categories of consumers. Government's role would limit to ensuring fair competition and in removing factors that impede the play of market forces. The Committee are of the view that in a welfare State, Government should ensure that all sections of the society are treated alike and there is no monopolistic tendency by which a citizen is exploited. The Committee, therefore, desire that the monopolistic tendency on the part of housing boards which take undue advantage of shortage of housing and exploit the gullible consumers needs to be checked. The Committee desire that besides ensuring fair competition, the Government should intervene in the matter and not let Housing Boards/Promoters of Housing Societies get away with this easily. An affordable token money not exceeding Rs. 100 can be charged in above cases to ensure maximum participation. The Committee also want that the matter regarding price of prospectus and counselling should be taken up at the highest level with the Department of Higher Education and Department of Urban Development. The Committee should be apprised of the action taken in the matter.

10.19 In the era of e-transaction, there has been aggressive marketing and sale of products and services by internet, e-mail, telephonically and other means of transactions. In these cases, the consumer does not have any opportunity of examining the products or services prior to the purchase. Fleecing or looting of consumers cannot be ruled out in such transactions. At times, no opportunity or time limit is provided to a consumer within which he may withdraw goods or services and get the refund of money already paid. The Committee feel that there is a need to provide an opportunity to a consumer to return the product or seek withdrawal of service and get back the money paid without having to file complaint in the Consumer Fora. The Committee have been informed that Government propose to provide a suitable provision in the Consumer Protection Act, 1986 to tackle such kinds of transactions. The Committee desire that the Act be amended to take care of these eventualities.

10.20 It has been observed that charges levied for analysis of any sample/test of any goods, acts as a deterrent in asserting one's right under the Consumer Protection Act. The Committee note that this provision has been incorporated in the Act to avoid filing of frivolous complaints by miscreants. Yet, instances cannot be ruled out where a consumer does not exercise the option of getting a product tested on account of prohibitive cost. The Committee note that in case a complainant succeeds in the case, he is liable to get back the testing fee paid besides other cost as decided by the Consumer Forum. However, this mechanism of levying fee, deters many genuine consumers from actually getting the samples/goods tested on their own. The Committee desire that in the event of dispute being less than Rs. 50,000 or less, the Government should get test undertaken in their own labs and without charging any fee thereon. For this, the

Government should set up adequate laboratories where such tests can be performed free of cost.

10.21 The Committee have observed that at times the consumers do not have any choice but to accept unilateral one-sided terms of contract while purchasing gadgets like Washing Machine, Fax, Telephone instrument, Fridge etc. These unilateral provisions also generally disclaim and deny any responsibility for serious defects, deficiencies and delays. Similarly, certain manufacturers and service providers also restrict their liability to a shorter period of time even though the durable life of the goods sold or the service performed are designed for a much longer time. The Committee note that all these instances, undoubtedly point towards exploitation of consumers and there is hardly any redressal mechanism available under Consumer Protection Laws. The Committee have been informed that as per a recent ruling of the Supreme Court, any contract or any condition of contract between two parties of unequal bargaining capacities, if they are one sided, unilateral or unfair to the weaker party, such contracts or conditions of contracts are unconstitutional, illegal and unenforceable. The Committee have been further informed that there is a proposal to cover all these unfair terms of contract as per the law laid down by the Apex Court, in the form of unfair trade practices in the definition itself. The Committee hope and trust that the Government would review the definition of unfair trade practices in the light of the above and the Consumer Protection Act, 1986 amended suitably.

10.22 It has been brought to the notice of the Committee that certain telemarketing companies, credit cards, insurance, banks and financial

institutions, mobile companies etc. share the personal data profile of a consumer without one's knowledge and at times on consideration to other agencies. As the unsolicited telephone calls invade the privacy of an individual, a demand has been raised from many quarters to include the disclosure of information given in confidence by a consumer as deficiencies in service. Taking into consideration the inconvenience caused to a consumer, the Government is considering a proposal to explicitly cover such practices as a form of deficiency in service. The Committee recommend that the Consumer Protection Act be amended in the light of above.

10.23 The Committee note that Government propose to set up a Authority on the lines of USA's Consumer Product Safety Commission in order to protect the interests of consumers from various problems including the menace of counterfeit, fake, spurious and contraband products. The Committee hope and trust that such an independent authority would be set up at the earliest in the interest of the consumers.

NEW Delhi
Devendra Prasad Yadav

28 June, 2007
7 Asadha, 1929 (Saka)

Chairman
Standing Committee on Food, Consumer
Affairs and Public Distribution

Appendix I

**INFORMATION REGARDING FUNCTIONAL/NON-FUNCTIONAL
(STATE COMMISSION/DISTRICT FORUMS)**

(Updated on 26/03/2007)

Sl. No.	States	Whether SC Functional or Non-functional	No. of District For a	Functional	Non-functional	As on
1.	Andhra Pradesh	Yes	29	29	0	31.12.2006
2.	A & N Islands	Yes	1	1	0	31.3.2006
3.	Arunachal Pradesh	Yes	16	13	3	31.12.2006
4.	Assam	Yes	23	20	3	30.6.2006
5.	Bihar	Yes	38	35	3	30.9.2006
6.	Chandigarh	Yes	2	2	0	31.12.2006
7.	Chattisgarh	Yes	16	15	1	31.12.2006
8.	D & N Haveli	Yes	1	1	0	31.12.2006
9.	Daman & Diu	Yes	2	2	0	31.12.2006
10.	Delhi	Yes	10	10	0	31.12.2006
11.	Goa	Yes	2	2	0	31.12.2006
12.	Gujrat	Yes	26	24	2	30.6.2006
13.	Haryana	Yes	19	19	0	31.01.2007
14.	Himachal Pradesh	Yes	12	12	0	31.12.2006
15.	Jammu & Kashmir	Yes	2	2	0	30.6.2006
16.	Jharkhand	Yes	22	22	0	31.12.2005
17.	Karnataka	Yes	30	30	0	31.12.2006
18.	Kerala	Yes	14	13	1	30.6.2006
19.	Lakshadweep	Yes	1	1	0	31.12.2006
20.	Madhya Pradesh	Yes	45	45	0	30.9.2006
21.	Maharashtra	Yes	38	38	0	31.12.2006
22.	Manipur	Yes	8	8	0	30.6.2000
23.	Meghalaya	Yes	7	7	0	30.6.2005
24.	Mizoram	Yes	8	8	0	31.12.2006
25.	Nagaland	Yes	11	8	3	30.6.2006
26.	Orissa	Yes	31	31	0	31.12.2006
27.	Pondicherry	Yes	1	1	0	31.12.2006
28.	Punjab	Yes	17	17	0	31.12.2006
29.	Rajasthan	Yes	33	32	1	31.12.2006
30.	Sikkim	Yes	4	4	0	31.12.2006
31.	Tamilnadu	Yes	30	27	3	31.12.2006
32.	Tripura	Yes	4	4	0	31.12.2006
33.	Uttar Pradesh	Yes	70	68	2	31.12.2006
34.	Uttaranchal	Yes	13	13	0	31.01.2007
35.	West Benal	Yes	21	21	0	
	Total		607	585	22	

Appendix-II

INFORMATION REGARDING VACANCY POSITION IN THE STATE COMMISSIONS AND DISTRICT FORA

(Updated on 26/03/2007)

Sl. No.	States	State Commission		District Forum		As on
		President	Member	President	Member	
1	Andhra Pradesh	0	0	4	5	31.12.2006
2	A & N Islands	0	0	0	0	31.3.2006
3	Arunachal Pradesh	1	0	0	16	31.01.2007
4	Assam	1	1	2	4	30.6.2006
5	Bihar	0	0	3	17	30.9.2006
6	Chandigarh	0	0	0	0	28.02.2007
7	Chattisgarh	0	0	4	5	31.12.2006
8	D & N Haveli	0	0	0	1	31.01.2007
9	Daman & Diu	0	0	0	0	31.12.2006
10	Delhi	0	0	1	2	28.02.2007
11	Goa	0	0	0	0	31.12.2006
12	Gujrat	0	1	5	13	31.12.2006
13	Haryana	0	2	2	6	28.02.2007
14	Himachal Pradesh	0	0	0	6	31.12.2006
15	Jammu & Kashmir	0	0	0	0	31.10.2006
16	Jharkhand	0	0	3	2	31.10.2006
17	Karnataka	0	0	4	1	31.01.2007
18	Kerala	0	1	6	3	30.6.2006
19	Lakshadweep	0	0	0	0	31.01.2007
20	Madhya Pradesh	0	0	0	17	31.01.2007
21	Maharashtra	0	0	1	3	31.12.2006
22	Manipur	0	2	0	0	30.6.2006
23	Meghalaya	0	0	0	0	30.6.2005
24	Mizoram	0	0	1	7	31.12.2006
25	Nagaland	0	0	0	0	30.6.2006
26	Orissa	0	0	2	2	31.01.2007
27	Pondicherry	0	0	0	1	31.12.2006
28	Punjab	0	0	0	1	28.02.2007
29	Rajasthan	0	0	4	31	28.02.2007
30	Sikkim	0	0	0	2	31.12.2006
31	Tamilnadu	0	1	2	21	31.12.2006
32	Tripura	0	0	0	0	31.12.2006
33	Uttar Pradesh	0	0	2	9	31.01.2007
34	Uttarakhand	0	0	1	0	28.02.2007
35	West Bengal	0	1	2	6	31.12.2006
	TOTAL	2	9	49	181	

Appendix – III

**STATEMENT SHOWING THE HONORARIUM/REMUNERATION BEING PAID TO
HON'BLE PRESIDENTS & MEMBERS OF STATE COMMISSIONS AND
PRESIDENTS & MEMEBRS OF DISTRICT FORUMS**

Sl.No.	NAME OF THE STATES	STATE COMMISSIONS		DISTRICT FORA	
		Hon'ble Presidents	Members	Presidents	Members
1.	Andhra Pradesh	Salary of High Court Judge.	Rs.10000/- p.m.	salary of District Judge - Pension	Rs.7000/- p.m.
2.	Arunachal Pradesh	Rs.500/- per Day sitting	Rs.400/- per day's sitting	Rs.400/- per day's sitting	Rs.300/-per day's sitting
3.	A & N Islands	Part-time – Rs.1000/- Per day sitting.	Part time – Rs.400/- per day sitting	Part time – Rs.500/- per day sitting.	Part time – Rs.250/- per day
4.	Assam	Whole Time – High Court Judge. Part-time – Rs.200/- Per day	Part time – Rs.250/- per sitting.	Whole time – salary of District Judge	Part time – Rs.250/- per sitting.
5.	Bihar	Whole Time – High Court Judge. + Allowances less Pension + Staff Car	Whole Time – Rs.3,000/- p.m.	Whole time Last Pay – Pension of District Judge.	Whole time – Rs.2,000/- p.m.
6.	Chandigarh	Rs.26,000/- + allowance & perks less Pension	Rs.10,000/- p.m. (consolidated) + Conveyance Rs.150/- per day sitting	Last pay drawn as District Judge minus Pension Rs.3500/- p.m. for personal car	Rs.9,000/- p.m. (consolidated) + Rs.150/- per day sitting
7.	Chattisgarh	High Court Judge salary – Pension	Hon. Rs.500/- per day Conv. Rs.100/- per day	District Judge salary	Hon. Rs.250/- per day Conv. Rs.50/- per day

8.	Daman & Diu and D & N Haveli	Whole Time – High Court Judge. Part-time – Rs.400/- Per day	Whole Time – Rs.3,000/- p.m. Part time – Rs.300/- per day	Whole time – salary of District Judge Part time – Rs.300/- per day	Whole time – Rs.2,000/- p.m. Part time – Rs.200/- per day
9.	Delhi	Whole Time – High Court Judge. (Rs.26,000/- fixed)	Rs.10,000/- p.m. Honorarium + Conveyance Rs.5000/ per month.	salary of District Judge (Rs.18400-22400)	Rs.9,000/- p.m. (Honorarium). + Rs.5000/ per month.
10.	Goa	Honorarium – Rs.400/- Per day To and fro air ticket	Rs.300/- per day sitting. + Rs.75/- conveyance allowance	Rs.300/- per day sitting. + Rs.75/- conveyance allowance	Rs.200/- per day sitting + Rs.75/- conveyance allowance (maximum Rs.2000/-p.m.)
11.	Gujarat	Whole Time – High Court Judge.	Whole Time – Rs.6,500/- p.m. Part time – Rs.400/- per day sitting	Whole time – salary of District Judge	Whole time – Rs.3,000/- p.m. Part time – Rs.150/- per day sitting.
12.	Haryana	Whole Time – High Court Judge.	Rs.500/- per day for the sitting.	Whole time – salary of District Judge Scale Rs.18750-22850	Rs.300/- per day for the sitting.
13.	Himachal Pradesh	Last pay drawn as High Court Judge minus Pension.	Rs.600/- per day sitting	Pay scale of District & Session Judge.	Rs.500/- per day sitting
14.	Jammu & Kashmir	Rs.26,000/-	Rs.6,000/-	Salary	Rs.4,000/-
15.	Jharkhand	High Court Judge less Pension - Rs.44,760/- - 8362 p.m.,.	Rs.10,000/- p.m. + Rs.400/- conveyance	Salary of District Judge less Pension.	Rs.7,500/- p.m. + Rs.400/- Conveyance
16.	Karnataka	Last pay drawn	Honorarium	Last Pay	Rs.5500/- +

		as High Court Judge + other allowances & perks.	Rs.8,500/- p.m. + Rs.1500/- conveyance allowance	drawn as a District Judge + Rs.400/- conveyance.	Rs.500/- p.m. Conveyance.
17.	Kerala	Rs.41,820/- p.m. (High Court Judge)	Whole Time – Rs.10,000/- p.m. + Rs.1500/- per month conveyance allowance	Whole time – salary of District Judge (please see the statement) Part time – Rs.400/- per day	Whole time – If retd. DJ, Pay-Pension- Rs.6500/-.
18.	Lakshadweep	Rs.500/- Per day or Rs.2000/- p.m. whichever is more	Rs.150/- per day	Rs.300/- per sitting subject to a minimum of Rs.1000/- p.m.	Whole time– Rs.100/- per day
19.	Madhya Pradesh	High Court Judge salary – Rs.26,000/- + allowance.	Rs.500/- per day sitting + Rs.100/- Conveyance allowance	salary of District Judge – Rs.15100-400-18200	Rs.250/- per day sitting + Rs.50/- conveyance allowance
20.	Maharashtra	As High Court Judge (Retd.)	Honorarium – Rs.500/- per day + Conveyance Rs.75/- per day or Rs.10000/- on full time basis.	Gross salary Rs.18,400/- p.m. (As District Judge)	Whole time – Gross salary - Rs.8000/- p.m. Or Part time – Rs.400/- per day
21.	Manipur	Rs.1000/- per sitting as prescribed by the State Govt from time to time.	Rs.4,000/- p.m. as prescribed by the State Govt.	Rs.4,000/- p.m. as prescribed by the State Govt.	Rs.2500/- p.m. as prescribed by the State Govt.
22.	Meghalaya	Whole Time – if sitting high court Judge – High Court Judge. If retd. – Rs.5,000/- p.m. Part-time – Rs.200/- Per	Part time – Rs.75/- per day	Whole time – Rs.2000/- other than drawn from other service. Part time – Rs.150/- per day	Part time – Rs.75/- per day

		day			
23.	Mizoram	Whole Time – High Court Judge. Part-time – Honorarium @ Rs.350/- Per day	Whole Time – Rs.7500/- p.m. Part time – Honorarium @ Rs.300/- per day	Whole time – salary of Mizoram Judicial Service in Grade –I (Junior). Part time – Rs.300/- per sitting a day.	Whole time – Honorarium @ Rs.7,000/- p.m. Part time – Rs.250/- per sitting a day.
24.	Nagaland	Rs.750/- per sitting.	Rs.500/- per sitting.	District Judge Pay, if appointed on whole time basis OR Rs.150 per sitting.	Rs. 2000/- per month and Rs.100/- per day on part time basis
25.	Orissa	Salary of sitting Judge High Court Judge less Pension.	Rs.5,000/- p.m. + Rs.1500/- Conveyance allowances Re-imbursement of Telephone charges @ Rs.200/- p.m.	Consolidated pay of Rs.5,000/- p.m.	Consolidated pay of Rs.3,000/- p.m.
26.	Pondicherry	Honorarium @ Rs.5000/- + Rs.500/- Per day sitting allowance.	Honorarium @ Rs.1500/- + Rs.200/- per day sitting allowance.	Scale of pay of Rs.16750-400-19150-450-20500	Rs.3500/- p.m.
27.	Punjab	Whole Time – High Court Judge.	Honorarium @ Rs.7,500/- p.m.	Whole time – salary of District Judge i.e. Rs.16750-20500 + Conveyance – Rs.3500/- p.m.	Whole time – Rs.6,000/- p.m. Part time – Rs.300/- per day sitting.

28.	Rajasthan	Salary of High Court Judge less Pension, if retired	Whole Time – Rs.5,000/- p.m. Part time – Rs.300/- per day	Whole time – salary of District Judge less Pension, if retired.	Whole time – Rs.3,500/- p.m. Part time – Rs.200/- per day sitting.
29.	Sikkim	President is the sitting Judge of the High Court of Sikkim.	Rs.500/- per day sitting.	Rs.150/- per day sitting in addition to regular pay as District Judge, since they are sitting District Judge.	Rs.300/- per day sitting.
30.	Tamilnadu	High Court Judge + all allowances – Pension	Rs.4200/- + Rs.1500/- Conveyance Allowance p.m.	Whole time – salary of District Judge + other allowances - Pension	Independent District Forum – Honorarium Rs.*4200/- p.m. + Conveyance Allowance Rs.450/-pm Combined District Forum – Honorarium Rs.2800/- p.m. + Conveyance Allowance Rs.300/- p.m.
31.	Tripura	Whole Time – High Court Judge. Rs.20,670/- + Rs.6000/- conveyance	Rs.150/- per sitting No conveyance	Rs.150/- per sitting (Distt Judges are holding the post)	Rs.100/- per sitting

32.	Uttar Pradesh	Last Pay drawn less Pension +HRA @ Rs.10000/- + CCA + S.A.+D.A.	Honorarium Rs.8340/- + HRA @ Rs.1500/- + Conveyance @ Rs.1250/- p.m.	Whole time – last pay drawn less Pension + DA+HRA @ Rs.800/- p.m. + Conveyance – Rs.1000/- p.m. Part time – Honorarium Rs.200/- per sitting + HRA @ Rs.800/- p.m. + Conveyance Rs.1000/- p.m.	Whole time – Rs.5560/- p.m. + HRA @ Rs.600/- pm + Conveyance Rs.1000/- p.m. Part time – Rs.150/- per sitting + HRA@ Rs.600/- pm + Conveyance Rs.1000/- p.m.
33.	Uttaranchal	Salary of High Court Judge less Pension + Rs.7500/- HRA	Rs.6000/- p.m. + HRA @ Rs.7500/- p.m. + Staff Car	Salary of District Judge for full time appointment Rs.200/- per sitting for part time appointment.	Rs.4000/- p.m. + Rs.600/- HRA Rs.150/- per sitting – for part-time appointment + rs.600 HRA
34.	West Bengal	Last pay drawn – Pension. + Rs.19,000/- car allowance	Rs.12,000/- p.m.	Rs.15000/- p.m.	Rs.8,000/- p.m.

Appendix-IV

Cases filed , disposed of and pending in the National Commission and State Commissions since inception:

Sl. No.	Name of State	Cases filed since inception	Cases disposed of since inception	Cases Pending	% of Disposal	As On
	National Commission	40981	33319	7662	81.3	31.01.2006
1	Andhra Pradesh	18056	15370	2686	85.12	31.01.2006
2	A & N Islands	57	55	2	96.49	30.06.2004
3	Arunachal Pradesh	35	22	13	62.86	31.12.2005
4	Assam	1846	990	856	53.636	31.12.2004
5	Bihar	11013	6870	4143	62.38	31.10.2005
6	Chandigarh	51802	5111	69	98.67	31.01.2006
7	Chattisgarh	2842	2392	450	84.17	31.12.2005
8	D & N Haveli	11	11	0	100.00	31.12.2004
9	Daman & Diu	0	0	0	0.00	-
10	Delhi	24292	21227	3065	87.38	28.02.2006
11	Goa	1671	1513	158	90.54	31.01.2006
12	Gujarat	22810	19340	3470	84.79	31.01.2006
13	Haryana	28599	16174	12425	56.55	31.01.2006
14	Himachal Pradesh	4528	3842	686	84.85	31.12.2005
15	Jammu & Kashmir	4823	4310	513	89.36	31.12.2005
16	Jharkhand	2358	2120	238	89.91	31.12.2005
17	Karnataka	18477	16647	1830	90.10	31.01.2006
18	Kerala	19817	15716	4101	79.31	31.10.2006
19	Lakshadweep	12	12	0	100.00	31.01.2006
20	Madhya Pradesh	22145	19967	2178	90.16	31.12.2005
21	Maharashtra	32740	18398	14342	56.19	31.12.2005
22	Manipur	47	20	27	42.55	30.06.2003
23	Meghalaya	145	125	20	86.21	30.06.2005
24	Mizoram	92	31	61	33.70	30.09.2005
25	Nagaland	71	59	12	83.10	30.06.2005
26	Orissa	14445	7551	6894	52.27	31.01.2006
27	Pondicherry	751	727	24	96.80	31.12.2005
28	Punjab	15160	11673	4487	72.23	31.12.2005
29	Rajasthan	31856	22201	9655	69.69	31.12.2005
30	Sikkim	27	26	1	96.30	31.12.2005
31	Tamilnadu	17620	15927	1693	90.39	31.10.2005
32	Tripura	883	798	85	90.37	31.12.2005
33	Uttar Pradesh	44701	13020	31681	29.13	31.12.2005
34	Uttaranchal	2355	1971	384	83.69	31.12.2005
35	West Bengal	10775	9240	1535	85.75	31.01.2006

Appendix-V

Cases filed, disposed of and pending in the District Forums since inception:

Sl. No.	Name of State	Cases filed since inception	Cases disposed of since inception	Cases Pending	% of Disposal	As On
1	Andhra Pradesh	154684	148831	5853	96.22	31.01.2006
2	A & N Islands	311	294	17	94.53	30.06.2004
3	Arunachal Pradesh	260	229	31	88.08	31.12.2005
4	Assam	10004	9096	908	90.92	31.12.2004
5	Bihar	60122	46394	13728	77.17	31.10.2005
6	Chandigarh	29170	28268	902	96.91	31.01.2006
7	Chattisgarh	21636	19376	2260	89.55	31.12.2005
8	D & N Haveli	70	54	16	77.14	31.12.2004
9	Daman & Diu	0	0	0	0.00	0
10	Delhi	155030	144366	10664	93.12	31.12.2005
11	Goa	5076	4067	1009	80.12	31.01.2006
12	Gujarat	102068	84708	17360	82.99	31.01.2006
13	Haryana	143729	124936	18793	86.92	31.01.2006
14	Himachal Pradesh	41622	38756	2866	93.11	31.12.2005
15	Jammu & Kashmir	10436	8247	2189	79.02	31.03.1999
16	Jharkhand	24183	21577	2606	89.22	31.12.2005
17	Karnataka	89513	86456	3057	96.58	31.01.2006
18	Kerala	143336	136414	6922	95.17	31.10.2005
19	Lakshadweep	52	49	3	94.23	31.01.2006
20	Madhya Pradesh	98153	92494	5659	94.23	31.12.2005
21	Maharashtra	167362	149038	18324	893.05	31.12.2005
22	Manipur	916	881	35	96.18	30.06.2003
23	Meghalaya	359	339	20	94.43	30.06.2005
24	Mizoram	1863	1623	240	87.12	30.06.2004
25	Nagaland	246	205	41	83.33	30.06.2005
26	Orissa	62271	58308	39636	93.64	30.11.2005
27	Pondicherry	2353	2289	64	97.28	31.12.2006
28	Punjab	91760	85767	5993	93.47	31.12.2005
29	Rajasthan	190534	179620	10914	94.27	31.12.2005
30	Sikkim	175	169	6	96.57	31.12.2005
31	Tamilnadu	87286	84038	3248	96.28	31.10.2005
32	Tripura	304	238	66	78.29	30.09.2005
33	Uttar Pradesh	371533	291376	80157	78.43	31.12.2005
34	Uttaranchal	24967	22559	2408	90.36	31.12.2005
35	West Bengal	56360	53194	3166	94.38	31.01.2006
	TOTAL	2147744	1924256	223488	89.59	

**MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON
FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION (2003) HELD ON
THURSDAY, THE 13TH NOVEMBER, 2003.**

The Committee sat from 11:30 hrs. to 12:30 hrs. in Committee Room No. 319,
Parliament House Annexe, New Delhi.

Shri Devendra Prasad Yadav - Chairman

Members

Lok Sabha

2. Shri A.P. Abdullakutty
3. Shri Dalit Ezhilmalai
4. Shri Bir Singh Mahato
5. Shri Sanat Kumar Mandal
6. Shri Shyam Bihari Mishra
7. Shri Sukdeo Paswan
8. Shri Dharam Raj Singh Patel
9. Shri Bajju Ban Riyan
10. Shri Rammurti Singh Verma
11. Shri Kishan Lal Diler
12. Shri Jaiprakash
13. Shri Adhi Sankar

RAJYA SABHA

14. Shri Bimba Raikar
15. Shri Nandi Yellaiah
16. Shri S. K. Khabir Uddin Ahmad
17. Shri C. Perumal
18. Shri Vijay Singh Yadav
19. Shri Harendra Singh Malik

SECRETARIAT

- | | | | |
|----|-------------------------|---|--------------------|
| 1. | Dr. (Smt.) P. K. Sandhu | - | Joint Secretary |
| 2. | Shri Krishan Lal | - | Director |
| 3. | Shri R. S. Mishra | - | Deputy Secretary |
| 4. | Shri Jagdish Prasad | - | Assistant Director |

Representatives of the Consumer Coordination Council (CCC)

- | | | |
|----|-------------------|---------------|
| 1. | Shri Bejon Mishra | Vice-Chairman |
| 2. | Shri S. Krishanan | Director |

Representatives of the Consumer Unity and Trust Society (CUTS)

- | | | |
|----|-----------------------|-------------------|
| 1. | Shri Pradeep S. Mehta | Secretary General |
|----|-----------------------|-------------------|

At the outset, Hon'ble Chairman welcomed the representatives of Consumer Coordination Council and Consumer Unity and Trust Society. The Committee then heard their views on the subject "Consumer Movement in the Country". The representatives resolved the queries raised by Hon'ble Chairman and the Members of the Committee.

The verbatim record of the proceedings has been kept.

The meeting then adjourned.

**MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON
FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2004-05) HELD
ON WEDNESDAY, THE 29TH SEPTEMBER, 2004.**

The Committee sat from 15:00 hrs. to 16:40 hrs. in Committee Room No. 53, Parliament House Annexe, New Delhi.

Shri Devendra Prasad Yadav - Chairman

**MEMBERS
LOK SABHA**

2. Shri A.P. Abdullakutty
3. Shri Atma Singh Gill
4. Shri Avinash Rai Khanna
5. Shri Hari Kewal Prasad
6. Smt. Daggubati Purandareswari
7. Shri Chandrabhan Singh

RAJYA SABHA

8. Shri T. S. Bajwa
9. Shri Narayan Singh Kesari
10. Shri Lalitbhai Mehta
11. Smt. Bimba Raikar
12. Shri Thanga Tamil Selvan
13. Shri Vikram Verma
14. Shri Vijay Singh Yadav

SECRETARIAT

- | | | | |
|----|---------------------|---|--------------------|
| 1. | Shri R.S. Kambo | - | Deputy Secretary |
| 2. | Shri Jagdish Prasad | - | Assistant Director |

Representatives of the Ministry of Consumer Affairs, Food and Public Distribution
(Department of Consumer Affairs)

1.	Shri L. Mansingh	-	Secretary
2.	Shri D. N. Padhi	-	AS&FA
3.	Shri D. K. Mukhopadhyay	-	Economic Advisor
4.	Shri S. K. Jana	-	Chief Controller of Accounts
5.	Shri Nirmal Singh	-	Director General (BIS)
6.	Shri N. C. Chatterjee	-	Director General (NTH)
7.	Smt. Jayashree Gupta	-	Joint Secretary (CA)
8.	Shri P. Venkatesan	-	Director (CPU)
9.	Shri Raghubir Singh	-	Joint Registrar, NCDRC
10.	Shri T. N. Sansi	-	Registrar, NCDRC

2. At the Outset, Hon'ble Chairman welcomed the Secretary and other officials of the Department of Consumer Affairs and apprised them of Direction 58 of the Directions by the Speaker Lok Sabha. The representatives of the Ministry then gave a presentation on the subject 'Consumer Movement in the Country'. The following points emerged out during the deliberation of the Committee:-

- (i) Consumer Awareness Schemes run by the Department.
- (ii) Functioning of Consumer Protection Councils at States and District levels.
- (iii) Functional and Non-functional Consumer Forums.
- (iv) Role of Lok Adalat for redressal of Consumer grievances.
- (v) Implementation of Consumer related legislations.

3. A Verbatim record of the proceedings has been kept.

The Committee then adjourned.

Appendix-VIII

MINUTES OF THE ELEVENTH SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2005-06) HELD ON FRIDAY, THE 27TH MAY, 2005.

The Committee sat from 11:30 hrs. to 13:30 hrs. in Committee Room 'D' Parliament House Annexe, New Delhi.

Shri Devendra Prasad Yadav - **Chairman**

Members

Lok Sabha

2. Shri A.P. Abdullakutty
3. Shri Suresh Angadi
4. Shri Tukaram Gadakh
5. Shri Atma Singh Gill
6. Shri Abdul Mannan Hossain
7. Shri Jaiprakash
8. Shri Avinash Rai Khanna
9. Shri Parsuram Majhi
10. Shri Hari Kewal Prasad
11. Shri Chandrabhan Singh

RAJYA SABHA

12. Shri Santosh Bagrodia
13. Shri T. S. Bajwa
14. Shri Palden Tsering Gyamtso
15. Smt. Bimba Raikar
16. Shri Vikram Verma
17. Shri Vijay Singh Yadav
18. Shri Nabam Rebia

SECRETARIAT

- | | | | |
|----|---------------------|---|--------------------|
| 1. | Shri P.D.T. Achary | - | Secretary |
| 2. | Shri R.S. Kambo | - | Deputy Secretary |
| 3. | Shri B.S. Dahiya | - | Under Secretary |
| 4. | Shri Jagdish Prasad | - | Assistant Director |

REPRESENTATIVES OF MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DEPARTMENT OF CONSUMER AFFAIRS)

- 1. Shri L. Mansingh, Secretary**
- 2. Smt. Satwant Reddy, Additional Secretary**
- 3. Smt. Jaya Shree Gupta, Joint Secretary**
- 4. Shri A. C. Pandey, Additional Director General (BIS)**

2. At the Outset, Hon'ble Chairman welcomed the representatives of Department of Consumer Affairs to the sitting of the Committee held to take evidence of the Ministry on Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) on the subject "Consumer Movement in the Country" and apprised them of the provision of Direction 58 of the Direction by the Speaker.

3. The Committee then sought clarifications from the Secretary, Department of Consumer Affairs on the subject. The representatives replied to the queries raised by the Members.

4. The following points emerged during the deliberation of the Committee:-

- i. Non-functional District Fora in the country
- ii. Vacancy position in the District Fora
- iii. Position of District Consumer Protection Councils in the States
- iv. Pendency of cases in District Fora
- v. Publicity measures for Consumer Awareness in the Country
- vi. Role of Lok Adalat like bodies for facilitating early disposal of cases.

5. The Chairman then thanked the witnesses for appearing before them and placing their views before the Committee.

6. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND
PUBLIC DISTRIBUTION (2006- 2007)**

**MINUTES OF THE SEVENTEENTH SITTING OF THE COMMITTEE HELD ON
THURSDAY, 31 MAY, 2007**

The Committee sat from 1130 hours to 1230 hours in Committee
Room 'C', Parliament House Annexe, New Delhi.

Present

Shri Devendra Prasad Yadav - Chairman

Members

Lok Sabha

2. Shri Alakesh Das
3. Shri Atma Singh Gill
4. Shri Baliram Kashyap
5. Shri Avinash Rai Khanna
6. Shri Parsuram Majhi
7. Shri Harikewal Prasad
8. Shri Munshi Ram
9. Shri Ghuran Ram
10. Shri Daroga Prasad Saroj
11. Adv. (Smt.) P. Satheedevi
12. Shri Chandra Bhan Singh

Rajya Sabha

13. Shri T.S. Bajwa
14. Smt. Mohsina Kidwai
15. Shri Rajniti Prasad
16. Shri Nabam Rebia
17. Shri Matilal Sarkar
18. Shri Ram Narayan Sahu
19. Shri Thanga Tamil Selvan
20. Shri Vijaykumar Rupani

Secretariat

- | | | | |
|----|-----------------------|---|----------------------|
| 1. | Dr. (Smt.) P.K.Sandhu | - | Additional Secretary |
| 2. | Smt. Sudesh Luthra | - | Director |

At the outset, Hon'ble Chairman welcomed the members to the sitting of the Committee and invited their suggestions on the draft report on the subject 'Consumer Movement in the Country' as circulated by the Secretariat vide letter dated 29 May, 2007.

2. The Committee, thereafter, took up for consideration the draft report on 'Consumer Movement in the Country' and adopted the said draft report with slight modifications.

3. The Committee then authorized the Chairman to finalize the aforesaid report on the basis of factual verification from the concerned Ministry/Department and present the same to both the Houses of Parliament.

4. During the sitting, the Members desired that the Committee may visit some of the places to have first hand knowledge of the subjects selected by the Committee for detailed examination. The Committee thereafter proposed to undertake on-the-spot-study visit to Coimbatore, Ooty, Mysore and Bangalore during the months of June/July 2007.

5. The Committee thereafter decided that the next sitting may be convened on Tuesday, 12th June, 2007 to take oral evidence of experts/ associations etc. on the subject- Sugar- production, consumption, availability, import/export and pricing.

The Committee then adjourned.

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SUMMARY OF RECOMMENDATIONS/ OBSERVATIONS

Sl. No.	Para No.	Recommendations/ Observations
1	2	3
1	1.6	The Committee note that the consumer movement in India is as old as trade and commerce. But there was no organized and systematic movement to safeguard the interests of the consumers. Prior to Independence, consumers' interests were considered mainly under laws such as the Indian Penal Code, Agricultural Production, Grading and Marketing Act, 1937 and Drugs and Cosmetic Act, 1940, etc. Poverty, illiteracy and lack of consciousness to assert one's rights were some of the main reasons for low level of consumer awareness in the country. As such, trade and industry and other service providers easily exploited the consumers. Policies were then designed and legislations enacted to protect the interests of the consumers. The consumers were given the right of choice, safety, information and redressal mechanism. A separate Department of Consumer Affairs was created in the Central Government in 1997 to exclusively focus on protecting the rights of consumers.
2.	1.7	Setting up of a three-tier quasi-judicial mechanism to address the complaints of the consumers at National, State and District level was another milestone in the history of consumer movement in India. The National Commission at the Central level and State Commissions and District fora in some of the States/Union Territories are doing commendable work. However, the working of State Commissions and District Fora in some of the States is not upto the mark. To supplement the efforts being made by the State Governments for strengthening the consumer movement in various parts of the country, grants are being provided by the Union Government. In spite of best of the efforts made by the Union Government and State Governments, a lot still needs to be done. It was acknowledged by the Secretary during the course of oral evidence that as compared to developing countries, there is a long way to go before we can reach the level of even the lesser-developed countries in protecting the interests of consumers.
3.	1.8	The Committee have dealt in detail the various issues related to consumer movement in the report and various observations/recommendations have been made. The Committee urge the Department to chalk out detailed strategy related to consumer awareness and consumer protection in consultation with the State Governments/NGOs/VCOs/ local bodies and all other stakeholders on the lines suggested by the Committee in the report.

1	2	3
4.	1.9	The Committee find from the information provided by the Department that, only one State viz West Bengal is having a separate Department of Consumer Affairs. Besides, in 23 States/UTs, the nomenclature of the Department includes words like “Consumer Affairs”, “Consumer Protection” etc. The Committee are concerned to note that low priority is accorded to the subject of Consumer Protection by various State Governments and it is virtually a neglected area. The Committee are of the view that the nature and volume of work involved in consumer protection is such that it requires adequate attention and only then justice could be done to this matter of much public importance. The Committee feel that the subject also requires constant and regular monitoring. And because of its scope being so vast, a full-fledged Department headed by an officer of the level of Secretary needs to be in place in States for consumer protection. The Committee also desire that for promoting the welfare of the consumers in the States, a separate Budget needs to be earmarked for the Consumer Affairs Department. The Committee, therefore, recommend that the matter of separate Department on Consumer Affairs/Protection, headed by officer of the rank and pay of Secretary and separate budgetary provision, should be taken up in the right earnest and at the highest level with the State Governments. Some sort of in built incentives be also devised for the States/UTs who are doing well in the field of consumer awareness and consumer protection. The Committee would like to be apprised of the action taken in the matter.
5.	2.7	The Committee note that the Consumer Protection Act, 1986 seeks to protect the rights of consumers by rendering quick and inexpensive redressal of the grievances of the consumers by establishing ‘Alternate Justice Delivery System’. The Committee further note that in a span of two decades since the enforcement of the provisions of the aforesaid Act, it has undergone amendments thrice and a Working Group has been constituted to propose further amendments. The Committee while examining Demands for Grants 2007-08 have been informed that the draft amendment proposals have been prepared based on the recommendations of the Working Group. The Committee would like that the amendments should be finalized expeditiously and the draft legislation be introduced in Parliament. Besides, the Committee urge that while bringing the amendments, the various observations/suggestions made in the report should also be considered.

6.	2.10	The Committee find that the consumer protection unit of the Department of Consumer Affairs had been allocated a meagre allocation of Rs. 12.84 crore during the Ninth Plan. During the Tenth Plan, initially the allocation was made for only Rs. 15.50 crore. However, during the last two years of the Tenth Plan i.e. the year 2005-06 and 2006-07, the allocation for consumer protection was enhanced considerably. The Committee further find that a Working Group of Consumer Protection has submitted its comprehensive report containing recommendations for the Eleventh Plan to the Planning Commission. The Committee would like to be apprised of the details of the recommendations made by the Working Group. Besides the Committee would like that Planning Commission/Ministry of Finance should be persuaded to provide adequate outlay during the Eleventh Plan for the consumer protection and awareness programmes so as to bring out sustained countrywide multimedia publicity programmes.
7.	2.15	The Committee note that though the Government has started a vigorous consumer awareness campaign through print media, adequate publicity has not been given through electronic media. The Committee feel that to make the consumer awareness programme broad based and more mass oriented, wide publicity should be given through electronic media on the lines of Pulse Polio Campaign etc. by roping in well known celebrities to espouse the cause. The Government should also reach the people through Gram Melas, etc. The services of the NGOs need to be exploited through special programmes by making them partners in spreading the awareness and enhancing the effectiveness of the consumer protection measures.
8.	2.16	The Committee feel that the consumer awareness programme shall not yield the desired results, until and unless the focus of targets is villages, tribal and inaccessible for flung areas. The Committee desire that aggressive campaigning about consumer protection needs to be stepped up in these vulnerable areas. The literature brought out by the Department for example 'Upbhokta Jagaran', needs to be brought out in regional languages. The video and radio Programmes for creating awareness should not only be televised /broadcasted by public broadcast but also be shown in cable/private TV Channels. The Committee desire that they may be apprised of the action taken by the Government in this regard.
9.	2.17	The Committee further feel that the Department has to think of adopting entirely techniques for consumer awareness in rural areas keeping in view the ground reality. The illiterate and innocent rural poor consumers cannot take the advantage of

		sophisticated techniques of consumer helpline or online mechanism as introduced by the Department for redressal of consumers' grievances. That foremost condition of using these techniques is a minimum level of education and awareness. There is an urgent need to make these people aware of their rights and this can be achieved through simple techniques like street drama, musical drama, folk dances, nautanki, etc. in regional languages. Song and Drama Division and Field Publicity Units of the Ministry of Information and Broadcasting and Publicity Units of the State Governments should extensively be involved. Besides, as recommended in the earlier para of the report, the Committee emphasize that adequate outlay for consumer awareness should be provided so as to achieve the aforesaid objective.
10.	2.18	With the enactment of the Constitution 73rd Amendment Act, 1992 elected Panchayati Raj Institutions exist in almost every State/UT. The Department should take the desired initiatives to involve Panchayati Raj Institutions in various programmes related to consumer awareness. Besides, the publications of the Department specifically 'Upbhokta Jagaran' should be brought out in regional languages and distributed to the elected representatives of Panchayati Raj Institutions. The Committee further feel that the best forum to educate the rural masses about their rights as consumers as well as the techniques to redress to their grievances is the meetings of Gram Sabha, which are attended by almost every villager. The Committee note that 24 December has been declared as National Consumer Day since the year 2000. The Department in consultation with the Union Ministry of Panchayati Raj should take the desired initiatives to have mandatory meetings of Gram Sabhas on this day where the villagers could properly be educated about their rights as consumers.
11.	2.19	The Committee note that the Department has instituted National Awards on Consumer Protection to encourage the VCOs , women and youth . The VCOs who have done outstanding work are given prize money of Rs. 50,000, Rs. 40,000 and Rs. 30,000 alongwith certificates of Merit. The Committee would like to be apprised of the number of VCOs women and youth who have been given prize so far. Further, the Department should also inform the Committee about the number of VCOs, women and youth from rural areas who have been awarded prizes so as to know the impact of this scheme in rural areas
12.	3.23	The Committee note that a three tier quasi judicial redressal mechanism has been established at National, State and District levels as per the provisions made under the Consumer Protection Act, 1986 to resolve the consumer grievances

		speedily and cheaply. Whereas the responsibility of the National Commission rests with the Union Government, the responsibility of setting up as well as effective functioning of State Commissions and District Fora lies with the respective State Governments/Union Territory Administrations. The Union Government is further supplementing the efforts made by the State Governments by releasing one-time grants to District Fora for creating adequate infrastructure. Besides, various amendments in the aforesaid Act have been made for the smooth functioning of District Fora. In addition, the Department is taking proactive action to impress upon the State Governments to take desired action for the effective functioning of these Fora. In spite of the best of the efforts made by the Union Government, as many as 22 District Fora have been reported as non-functional. The Committee further note that non-functional District Fora exist in various States viz. Arunachal Pradesh, Assam, Bihar, Nagaland, Tamil Nadu, Gujarat, Uttar Pradesh, Chattisgarh, Kerala and Rajasthan. The various factors responsible for non-functional District Fora have been addressed in detail in the subsequent paras of the report. Here, the Committee may like to emphasize that the Department should find out State specific reasons for non-functional District Fora and persuade the State Governments/Union Territory Administrations to take corrective action in this regard. Besides, the Committee recommend that the district forum should be constituted expeditiously in a newly created District. The Committee may also be kept apprised.
13.	3.24	The Committee further note that there are a large number of pending cases in the National Commission, State Commissions and District Fora. The average percentage of disposal of cases in the case of National Commission has been reported to be 81.3 per cent whereas percentage disposal of cases in State Commissions and District Fora is 70.16 and 89.59 per cent, respectively. The Committee find from the information provided by the Department that the problem of infrastructure is more acute in case of District Fora, thus making the District Fora non-functional. However, looking into the overall percentage of disposal of cases, the Committee note that District Fora are doing comparatively well. The Committee would like the Department to analyze the aforesaid data of disposal of cases carefully and find out the specific reasons for lesser disposal of cases in State Commissions. The Committee may also be informed in this regard.
14.	3.25	While noting the State-wise position of disposal of cases, the Committee find that in some of the States, the position is not satisfactory. As regards the performance of State Commissions, worse is the position in Uttar Pradesh and Mizoram where the percentage disposal is only 29.13 and 33.70 per cent, respectively. In progressive State of

		Maharashtra, the percentage disposal of cases is just 56.19 per cent. As regards the position of District Fora in Bihar, Dadra and Nagar Haveli, Jammu and Kashmir, Mizoram, Tripura, Uttar Pradesh, the percentage disposal of cases is less than 80 per cent. The Secretary during the course of oral evidence has acknowledged that the time limit of disposal of cases prescribed under the Act i.e. within 90 to 150 days is seldom adhered to. The Secretary has also informed that in Punjab, a novel way of clearing the backlog of cases by holding the Lok Adalats has been adopted. Further, the Committee while examining the Demands for Grants (2007-08) (refer Para 4.22 of Nineteenth Report) had also been informed that an amendment to the Consumer Protection Act to have Circuit Benches or Circuit Sharing Mechanism by District Fora is being worked out. In the system of Circuit Benches or Circuit Sharing, District Fora may hold their sittings at the Tehsil or Block Headquarters in case there are large number of cases. The Committee feel that the system of Lok Adalats adopted by the Punjab Government needs to be replicated in other States where there is bulk pendency of cases. Besides, there is an urgent need to take an early decision on the issue of Circuit Benches or Circuit Sharing Mechanism by District Fora for speedier disposal of cases pending with respective District Forum. The Committee recommend to the Department to take the desired action in this regard. The Committee also recommend that the Department should review the position of pendency of cases on quarterly basis and issue necessary instructions to the respective State Governments for speedier disposal of cases.
15.	3.26	The Committee are concerned to note almost negligible number of cases filed in the District Fora in some of the States/UTs. From the data made available by the Department, the Committee note that in Daman and Diu, not even a single case was filed in the State Commission and District Fora since inception. Besides, in various North-Eastern States and Lakshadweep, the number of cases filed are very marginal. The Committee feel that the lack of awareness about the rights as a consumer is the main reason for reporting of almost nil or marginal cases in the aforesaid States/UTs. The Committee recommend to evolve a strategy to have an aggressive consumer awareness campaign in these States in consultation with the respective State Governments/Union Territory Administrations.
16.	3.27	The Committee further note that consumers in remote and far-flung areas, consumers have to come to the District Headquarters for filing of cases. Similarly the State Commissions are located in the respective State capitals. The distance as well as the lack of connectivity deter the consumers

		to come to the District Headquarters/ State Capitals. In view of the aforesaid scenario, the Committee feel that there is an urgent need to work out some mechanism whereby the Consumer Grievance Redressal Mechanism is available at the doorstep of the consumers. By and large, holding of Lok Adalats and Circuit Benches at the Block Headquarters may provide solution to this problem. The Department should consider the aforesaid difficulties being faced by the consumers in far-flung /difficult areas and evolve some solution in this regard. The Committee may also be kept apprised.
17.	3.28	The Committee have been informed that another reason which has impeded the disposal of cases in time as well as non-functional status of some of the District Fora is failure to fill the vacancies in the State Commissions and District Fora. From the data provided by the Department, the Committee note that District Fora are worst affected by the problem of vacancies. In various District Fora, 49 posts of President and 181 posts of Members are lying vacant. The Committee also find that various provisions have been made in the Consumer Protection Act through amendments to resolve the problem of vacancies. For example, the provision that the senior most Member may preside over the Consumer Fora, if the President is absent for any reason and the provision of reappointment of President and Members of Consumer Fora are some of the amendments made in this regard. In addition, various instructions to State Governments to maintain a panel of Presidents and Members to fill vacancies arising in the District Fora are repeatedly being issued by the Department. In spite of this, the problem of vacancies persists in State Commissions and District Fora. The Committee therefore, strongly recommend that the vacancy position in all the District Fora across the country should be reviewed regularly and all out efforts be made to fill the vacancies at the earliest.
18.	3.29	In most of the States, salary of a High Court Judge is being provided to the President of a State Commission and salary of a District Judge to the Presidents of District Fora. In the States where aforesaid provision has not been made, the variation in the salary and allowances paid to President and Members of State Commissions and District Fora is quite glaring. The Committee further find that in many of the States/UTs, provision has been made to pay the remuneration to Members of State Commissions and District Fora on daily basis. Further, the honorarium paid to Members of State Commissions as well as District Fora is very low in case of some of the States. For example, in Meghalaya, honorarium paid to Members of State Commissions as well as District Fora is as low as Rs. 75 per day. In Lakshadweep, Rs. 150 is provided as per day honorarium to Members of State Commissions and Rs. 100 to

		Members of District Fora. On the other hand some of the States are paying very attractive honorarium/ remuneration to President and Members. For example, in Chandigarh, besides the fixed monthly amount of Rs. 26,000, allowances and perks are also being provided. From the aforesaid scenario of disparity in the salary and honorarium structure of President and other Members of State Commissions and District Fora, the Committee find that perhaps the low salaries have dissuaded suitable candidates to take up assignments in State Commissions and District Fora. The low salary and honorarium structure has failed to attract the best available talent in the field. The Committee further note that the Department has been passing resolutions to bring about a uniformity in the salary and honorarium being paid to President and Members of different State Commissions. However, the State Governments and UT Administrations are not implementing the resolutions. The Committee strongly recommend that the matter may be taken up with all the State Governments and Union Territory Administrations at the highest level so that the problem of pending vacancies and inadequate remuneration could be resolved.
19.	3.30	Besides the problem of vacancies, various Consumer Fora are also facing the shortage of adequate supporting staff. The Committee have been apprised that supporting staff for District Fora is normally borrowed from the local Food and Civil Supply Department of the State Government. The Committee note that the casual approach of the State Governments in this regard has led to the ineffective functioning of District Fora. The Committee recommend that there should be All India /State service which can cater to the need of supporting staff of different levels of Consumer Fora at National, State and District Level.
20.	3.31	The Committee note that most of the District Fora are suffering for want of adequate infrastructure and other basic amenities/necessities. The Committee feel that this acts as a deterrent in quick disposal of cases and thereby causes pendency of consumer cases. In this context, the Committee desire that the grants to all District Fora be provided for improving infrastructure facilities at the earliest. It has been brought to the notice of the Committee that many States do not take active interest in consumer related activities. In order to inculcate the feeling of welfare of consumers, the Committee desire that a Model District Fora funded by the Central Government needs to be set up in each State. The experience gained from such Model District Fora should be replicated in other districts of the State.
21.	3.32	The Committee take note of various problems faced by District

		Fora in the implementation of the Consumer Protection Act. Some of the problems faced by these District Fora include non-formation of District Consumer Protection Councils at District levels, ignorance of Members of District Fora about prevailing laws relating to complaints, political interference in selection of Members of State Commissions, District Fora, frequent adjournments, absence of labs for analysis at District level and failure to release funds by State Governments. The insistence by District Fora on compromise between the complainant and defendant, is another factor, which impedes the implementation of the Consumer Protection Act leading to delay in delivering justice to the consumers. The Committee are of the view that the problems highlighted by various District Fora as given in detail in the preceeding para number 3.22 of the report are genuine and merit due consideration by the Government. The Committee desire that result oriented action be taken by the Centre/State Governments in this regard. The Committee would like to be apprised of the action taken by the Government in this regard.
22.	4.21	The Committee note that the Consumer Welfare Fund was created in 1991 by amending the Central Excise and Salt Act, 1944. The main objective of the fund is to provide financial assistance to VCOs/NGOs and State Governments for strengthening Consumer Movement in the country. The aforesaid fund was set up by the Department of Revenue in 1992. Subsequently, a separate Department of Consumer Affairs was created in the Central Government in the year 1997 to act as the nodal Department to exclusively deal with the issues related to consumer welfare and awareness. The Committee have been informed that no proposal has been mooted to bring the Consumer Welfare Fund under the ambit of the Department of Consumer Affairs, although the fund is being operated by the Department of Consumer Affairs. The Committee fail to understand the rationale of placing the Consumer Welfare Fund under Department of Revenue when the operational responsibility rests with the Department of Consumer Affairs. The Committee are further concerned to note that no initiative in this regard has been taken by the Department of Consumer Affairs so far. The Committee feel that the exclusive responsibility of Consumer Welfare Fund should be given to the Department of Consumer Affairs. The Committee urge that the desired action in this regard should be taken by the Government and the Committee be apprised accordingly.
23.	4.22	The Committee further note that the Department has decided to decentralize and transfer the Consumer Awareness and Consumer Club Schemes of the State Governments/Union Territory Administrations with effect

		from 1 April, 2004. To supplement the efforts made by the States/UTs in this regard, the Government has decided to make a one-time contribution of an amount proportionate to the number of districts by the Centre and the State Governments in the ratio of 50:50 (Centre:State). In case of special category States, the aforesaid ratio is 90:10 (Centre:State). The Committee have further been informed that so far 19 States and UTs have been sanctioned grants from Centre Consumer Welfare Fund for the purpose. Further, 16 States are yet to apply/receive assistance for the State/Local Consumer Welfare Fund. The Department has informed that the aforesaid States/UTs could not avail the assistance/Central share of seed money because they have not yet credited the State share in permanent non-lapsable, non-plan account. The Committee would like the Department to pursue further with the aforesaid States so that the Consumer Welfare Fund is set up expeditiously to promote the Consumer Movement throughout the country.
24.	4.23	The Committee note from the information made available by the Department that out of 19 States which have been sanctioned grant from Central Consumer Welfare Fund, 11 States/UTs have so far not submitted the guidelines for State Consumer Welfare Fund. The Committee also note that the organizations receiving grant from the Consumer Welfare Fund are required to follow the Consumer Welfare Fund Rules, 1992 and the guidelines for sanction of grants from the Consumer Welfare Fund. The Committee fail to understand non-submission of status of framing of guidelines for State Consumer Welfare Fund by most of the State Governments. The Committee are of the view that there is an urgent need to have strict monitoring of the implementation of various activities for which funding is being granted out of the Consumer Welfare Fund. The Committee would like the Department to get the information from the aforesaid State Governments and submit to the Committee. Further, the States which have not so far framed the guidelines should be asked to do this expeditiously.
25.	4.24	The Committee while examining the Demands for Grants (2007-08) had expressed serious concern over non-utilization of funds earmarked for the schemes/ projects out of Consumer Welfare Fund (refer Para 4.54 of Nineteenth Report). The Committee had noted that only one-fourth of the amount provided under Consumer Welfare Fund was being used by the State Governments. The Committee had also expressed serious concern over non-submission of Utilization Certificates

		by various NGOs/VCOs. The Committee are of the firm opinion that an effective monitoring is required to ensure that only credible NGOs/VCOs are provided funding out of the Consumer Welfare Fund. The Committee would like to be apprised of the number of NGOs/VCOs who have been provided assistance from the Consumer Welfare Fund so far, along with the number of NGOs/VCOs who have been blacklisted. The Committee would like to reiterate their earlier recommendation to put the name of the blacklisted NGOs on the website of the Department so as to ensure that no Government funding is made to these blacklisted NGOs.
26.	4.25	The Committee further note that 'Consumer Clubs' is one of the schemes operated under Consumer Welfare Fund (CWF). Under the aforesaid scheme, a consumer club is to be set up in middle, higher and higher-secondary school/college affiliated to a Government Recognized Board and a grant of Rs. 10,000 per Consumer Club in the schools/colleges is admissible under this scheme. The Committee note that Consumer Clubs could be set up only in the States of Andhra Pradesh, Tripura, West Bengal, Maharashtra and NCT of Delhi. The Committee note that for effective Consumer Movement in the country, children need to be involved and Consumer Clubs are the best way for instilling in children the spirit of protection of consumer rights. The Committee would, therefore, like the Department to pursue further with the remaining States/UTs to ensure that Consumer Clubs are set up in each of the schools/colleges.
27.	4.26	The Committee note that Central Consumer Protection Councils were set up at Centre and State levels to promote and protect the rights of the Consumers. Consumer Protection Act mandates the States to establish District Consumer Redressal Councils at the District Level to strengthen consumer movement at the grass-root level. The Committee note that the performance of Central, State and District Consumer Protection Councils (DCPCs) is far from satisfactory. The Committee feel that these agencies need to be made more accountable, responsible and effective so as to ensure justice at the doorsteps of consumers. The Committee note that these Councils have been entrusted with the responsibility of raising issues concerning welfare of consumers and also give recommendations to this effect. The Committee note with concern that the sittings of Consumer Protection Councils are not held regularly. At times, meetings are not held at all. The Committee feel that there is a need to place a mechanism by which sitting of the Council be convened, if 2/3rd Members of the Council so desire. The Committee also feel that though the recommendations of the Councils are not binding on the Government still, due consideration needs to be given to the recommendations of these Councils. The Committee note that

		District Consumer Protection Councils are headed by District Magistrates who are unable to devote much time due to their preoccupation in other pressing matters. As such, District Magistrates are not able to do justice to these bodies. The Committee desire that Government should find ways and means and ensure that officials, who can devote time and energy, head these bodies and able to do justice to the work assigned.
28.	4.27	The Committee note that the concept of Citizens' Charter was introduced in the year 1994 to provide a clean, effective and responsive administration at all levels with an emphasis on transparency and accountability. The Government introduced Citizens' Charter in a phased manner in the Ministries/Departments where a large public interface is involved. As on date only 91 Central Citizens' Charters have been approved and are under implementation by different States/UTs. The Committee have also been informed that the Department of Consumer Affairs has prepared its own Citizens' Charter. Besides, BIS and FMC have also prepared their Citizens' Charter which is available on the website of the Department. The Committee desire that action on fast track basis needs to be initiated to cover the remaining agencies/authorities who have not yet formulated Citizens' Charter. As the Charter incorporates citizens entitlement to public services, quality of service, access to information and time bound redressal of grievances, etc the Committee desire that wide publicity be given to the Citizens' Charter so that people can take advantage of their entitlements etc. The Committee would like to be apprised of the action taken in the matter.
29.	4.28	The Committee find that the main objective of the Consumer Welfare Fund was to generate consumer awareness and strengthen Consumer Movement through various programmes funded out of Consumer Welfare Fund, particularly in rural areas. The Committee would like to be informed about the number of schools/colleges in rural areas who have been provided assistance under the scheme Consumer Club. The Committee emphasize to monitor the various activities/projects funded out of the 'Consumer Welfare Fund' separately for rural areas so as to know about the fulfillment the objectives of creating the aforesaid Fund.
30.	5.3	The Committee note that a National Action Plan which proposes to educate more than 100 crore of people of various categories on various subject matters of consumer interest has been prepared by the Department. Besides, a media Plan has also been prepared in consultation with the DAVP. The State Governments have also been asked to evolve their own State

		Action Plans to strengthen the consumer movement in the country. The Committee emphasize on the implementation of the targets fixed under the National Plan. Besides, State Governments may also be pursued further for the finalisation of State Plans expeditiously.
31.	5.4	The Committee further note that the Action Plan proposes to evolve a National Policy on consumer protection. The Committee recommend that the policy should be framed expeditiously so that it can provide necessary direction and guidelines to various Ministries of the Union as well as the State Governments in setting priorities for consumer awareness and consumer protection and also to make them more responsive to the causes of consumers.
32.	6.3	The Committee note that a number of Working Groups have been set up by the Government to consider ways and means of protecting the interests of consumers. Such Working Groups include, 'Food Safety', 'Misleading Advertisement', 'Drugs, Pharmaceuticals and Medical Devices/Equipments', 'Consumer Health and Safety concerning Tobacco & Tobacco Products', 'Counterfeit, Fake, Spurious and Contraband products'. A Working Group has also been set up for suggesting improvement in the existing Acts relating to the interests of consumers. The Committee understand that Reports of some of the Working Groups have been submitted and others are still under the consideration of the Government. The Committee would like to be apprised of the recommendations made by each of the Working Group set up for the purpose and the follow up action taken by the Government. The Committee would like that the Department should regularly follow up the implementation of these recommendations with the concerned Ministries. The Committee would also like to be informed of the steps taken by the Government in amending the relevant statutes, on the lines suggested by the Working Group for the purpose.
33.	7.6	The Committee note that the Consumer Helpline was launched on 15 March, 2005 on the occasion of World Consumer Rights Day for providing guidance, information and advice to consumers for redressal of their grievances against various services and products. According to the Ministry, the National Consumer Helpline advises consumers to deal with problems related to defective products, deficiency in services and unfair trade practices etc. The Committee, while welcoming the introduction of Consumer Helpline for the benefit of consumers, desire that the consumers be made aware of this service in a big way through electronic and print media. They would like to be informed of the steps taken in this regard.

34.	8.5	The Committee note that Consumer Grievance Redressal Cell (CGRC) was set up by the Department during 2002 to redress the grievances of consumers relating to sale of defective goods, deficient services, overpricing, etc. During the five years of its operation the Cell has received 6179 complaints from all over the country. All the complaints are forwarded to Consumer Coordination Council for appropriate advice/guidance to the complainant or to the concerned manufacturers, companies, etc for redressal of consumers complaints. The Committee observe that the number of complaints received is too little specifically when the Cell operates at the National level and receive complaints from all over the country. The Committee feel that there is an urgent need to make the people aware of the working of the aforesaid Cell so that more and more consumers get redressal of their complaints through the Cell. The Department should take all the desired action in this regard.
35.	8.6	The Committee further note that the working of the Cell is being reviewed by the Government from time to time. In this regard, the Committee would like to be informed about the mechanism of getting feedback from consumers to know about the satisfaction level of the consumers.
36.	8.7	The Committee also note that the Consumer Grievance Redressal Cell also takes suo moto action by attending to complaints appearing in the columns of the newspapers. The Committee while appreciating the aforesaid mechanism of redressal of complaints of consumers would like to be informed about the number of complaints attended by the Cell as appeared in the various columns of newspapers so as to know the effectiveness of the aforesaid mechanism of redressal of consumer grievances. Besides various grievances received from the Cabinet Secretariat and PMO related to consumer matters are also attended to. The Committee would like to be informed about the nature of issues received through Cabinet Secretariat and PMO.
37.	8.8	The Committee also find that Consumer Grievance Redressal Cell has been set up at the National level and is addressing to complaints of consumers received from all over the country. The Committee feel that similar Consumer Grievance Redressal Cell need to be set up in various States. The Committee would like that the State Governments/Union Territory Administrations should be persuaded to set up such Cells in each of the State/UT.

38.	9.8	The Committee are concerned to note that only few items are covered in mandatory certification by BIS. Further, BIS has published 9540 number of product specifications which specify the requirements of specific products taking into account the concerns of all stakeholders like consumers, manufacturers, research organizations, regulatory bodies, etc. which are part of the technical committee deciding on such specifications. The Committee note that factors such as Consumer Health, Safety, Security, Environment, Infrastructure, Protection of local population against spurious foreign made goods and items of mass consumption are taken into consideration while deciding whether to include a product under mandatory certification or otherwise. The Committee have further been informed that as against 9540 product certifications, only 110 have been covered and 71 more items are proposed to be covered under mandatory certification. The Committee are not satisfied with the pace with which the items are classified under mandatory certification. The Committee desire that more items should be brought under mandatory certification especially in regard to consumer health, safety, security and items of mass consumption. The Committee would like to be apprised of the action taken by the Government in this regard.

39.	9.9	The Committee note that Hallmarking of Gold Jewellery Scheme was launched by BIS in April, 2000 on voluntary basis and 45 hallmarking centres for gold jewellery have been recognized by BIS in the country. The Government have now launched a Pilot Project at a cost of Rs. 5.75 crore to give incentives/assistance/training to Hallmarking Centres. The Committee have been informed that there is a proposal to make gold hallmarking mandatory by 2008. The Committee feel that making hallmarking mandatory will further protect consumers from being exploited through sale of gold ornaments of lower caratage than what they have paid for. For this, adequate infrastructure in the form of Assaying and Hallmarking Centers are required on a large scale. The Committee desire that work on the pilot project launched for providing incentives / assistance / training for setting up additional Hallmarking Centers be expedited so that adequate infrastructure for assaying and hallmarking gold jewellery is available when the scheme is made mandatory.
40.	10.13	The Committee find that as the law stands today, a prospective investor i.e. applicants for shares, etc. is not covered within the definition of consumer as provided for in the Consumer Protection Act, 1986. However, after the transactions are over and the shares etc. are allotted in the name of investor, one becomes a consumer. Thereafter such person can move the Consumer Forum with regard to any dispute/grievance. It has further been brought to the notice of the Committee that this was the recommendation of one of the Working Groups and a proposal to bring persons such as prospective investor within the definition of consumer is under consideration of the Government. The Committee are of the view that cases are not rare where a prospective investor has been cheated and there has not been any effective mechanism to redress his grievances. The Committee hope that in the interest of the consumers at large, the Government would make efforts to bring such people within the definition of consumer without any further loss of time.
41.	10.14	The Committee note that the Consumer Protection Act has been enacted for providing simple, quick and inexpensive justice to all consumers. The Committee are aware that exemption has been given to "Antyodya Anna Yojana" beneficiaries from payment of fee for filing of complaints upto Rs. 1 lakh. The Committee feel that as consumer protection is at a nascent stage and also as the fee charges are not enough to deter frivolous litigants, there is no need to levy fee for filing of complaints by consumers.
42.	10.15	It has been brought to the notice of the Committee that in many

		instances, the seller or service provider either refuses or do not issue bills, cash memo, receipt etc. to the consumer on purchase. As a result, no actionable claim can be filed under Consumer Protection Act. The Committee have been informed that the refusal or failure to issue bills/cash memo/receipt etc. is proposed to be covered as one of the unfair trade practices under the Consumer Protection Act. The Committee desire that the Act be amended to take care of above infirmities.
43.	10.16	The Committee find that manufacturers and traders resort to different types of schemes to promote sale of their products. Sometimes there is compromise on the quality of the products to compensate the cost of providing attractive schemes. The consumers are thus cheated as they do not get the value of the money spent to purchase the product. The Committee find that at present there is no regulating mechanism in this regard. The Committee note that the Department propose to amend Section 2(l)(r)(3) of the Consumer Protection Act to effectively protect the interests of consumers from such practices of trade and industry. The Committee would like to emphasize to finalize the aforesaid proposal expeditiously so as to protect the interests of consumers.
44.	10.17	The Committee note that services rendered on consideration are included within the purview of the present Consumer Protection Act. In the opinion of the Committee, one of the major problem areas has been deficiencies on the part of Municipalities in providing services which are mandatory in nature. These services include health, medical service, garbage disposal, drinking water, drainage, etc. The Committee have been informed that one of the Working Groups set up in connection with protection of consumer interest had recommended to bring all mandatory Municipal services within the ambit of this Act. However, the proposal, after due consideration and consultation, was finally deferred as the service providers from State Governments as well as many Central Ministries/Departments expressed their inability to provide expected standards due to various resources and capacity constraints. The Committee are pained to note that the Government preferred administration and financial constraints over the interests of consumers and deferred the proposal, on the pretext that this is not the appropriate stage for such a provision. The Committee feel that the reasons stated above for deferring the proposal are merely delaying tactics on the part of both Central and State Governments who are shirking their responsibility towards citizens and consumers and denying them a right to good living. The Committee, therefore, recommend that the recommendation of the Working Group to include all mandatory Municipal services within the ambit of this Act be implemented in letter and spirit so as to

		ensure best services to the consumers.
45.	10.18	The Committee have taken note of the upsurge in the prices in housing sector consequent upon booming economy. Taking undue advantage of imbalance in demand supply equilibrium, various housing authorities in Government and private sectors are inducing consumers. For instance, recently DDA, GDA, Greater Noida and HUDA announced their housing schemes for different categories of consumers. Surprisingly, the brochure containing information about the various schemes of these authorities were priced between Rs. 160 to Rs. 1000. There has been similar experience noticed in the admission to professional colleges for courses such as engineering, architect, medical, pharmacy and other professional courses where not only the prospectus are highly priced but also the counseling conducted for these courses are also at exorbitant rates and varies from Rs. 1,000 to Rs. 5,000 in some of the cases. The Committee do not subscribe to the view of the Government that in the current liberalized regime, it is the market forces which should determine the price at which a good or a service is made available to a potential consumer. The Government have further stated that the housing board/promoter of housing societies are at liberty in fixing the prices for different categories of consumers. Government's role would limit to ensuring fair competition and in removing factors that impede the play of market forces. The Committee are of the view that in a welfare State, Government should ensure that all sections of the society are treated alike and there is no monopolistic tendency by which a citizen is exploited. The Committee, therefore, desire that the monopolistic tendency on the part of housing boards which take undue advantage of shortage of housing and exploit the gullible consumers needs to be checked. The Committee desire that besides ensuring fair competition, the Government should intervene in the matter and not let Housing Boards/Promoters of Housing Societies get away with this easily. An affordable token money not exceeding Rs. 100 can be charged in above cases to ensure maximum participation. The Committee also want that the matter regarding price of prospectus and counselling should be taken up at the highest level with the Department of Higher Education and Department of Urban Development. The Committee should be apprised of the action taken in the matter.

46.	10.19	In the era of e-transaction, there has been aggressive marketing and sale of products and services by internet, e-mail, telephonically and other means of transactions. In these cases, the consumer does not have any opportunity of examining the products or services prior to the purchase. Fleecing or looting of consumers cannot be ruled out in such transactions. At times, no opportunity or time limit is provided to a consumer within which he may withdraw goods or services and get the refund of money already paid. The Committee feel that there is a need to provide an opportunity to a consumer to return the product or seek withdrawal of service and get back the money paid without having to file complaint in the Consumer Fora. The Committee have been informed that Government propose to provide a suitable provision in the Consumer Protection Act, 1986 to tackle such kinds of transactions. The Committee desire that the Act be amended to take care of these eventualities.
47.	10.20	It has been observed that charges levied for analysis of any sample/test of any goods, acts as a deterrent in asserting one's right under the Consumer Protection Act. The Committee note that this provision has been incorporated in the Act to avoid filing of frivolous complaints by miscreants. Yet, instances cannot be ruled out where a consumer does not exercise the option of getting a product tested on account of prohibitive cost. The Committee note that in case a complainant succeeds in the case, he is liable to get back the testing fee paid besides other cost as decided by the Consumer Forum. However, this mechanism of levying fee, deters many genuine consumers from actually getting the samples/goods tested on their own. The Committee desire that in the event of dispute being less than Rs. 50,000 or less, the Government should get test undertaken in their own labs and without charging any fee thereon. For this, the Government should set up adequate laboratories where such tests can be performed free of cost.
48.	10.21	The Committee have observed that at times the consumers do not have any choice but to accept unilateral one-sided terms of contract while purchasing gadgets like Washing Machine, Fax, Telephone instrument, Fridge etc. These unilateral provisions also generally disclaim and deny any responsibility for serious defects, deficiencies and delays. Similarly, certain manufacturers and service providers also restrict their liability to a shorter period of time even though the durable life of the goods sold or the service performed are designed for a much longer time. The Committee note that all these instances, undoubtedly point towards exploitation of consumers and there is hardly any redressal mechanism available under Consumer Protection Laws. The Committee have been informed that as

		per a recent ruling of the Supreme Court, any contract or any condition of contract between two parties of unequal bargaining capacities, if they are one sided, unilateral or unfair to the weaker party, such contracts or conditions of contracts are unconstitutional, illegal and unenforceable. The Committee have been further informed that there is a proposal to cover all these unfair terms of contract as per the law laid down by the Apex Court, in the form of unfair trade practices in the definition itself. The Committee hope and trust that the Government would review the definition of unfair trade practices in the light of the above and the Consumer Protection Act, 1986 amended suitably.
49.	10.22	It has been brought to the notice of the Committee that certain telemarketing companies, credit cards, insurance, banks and financial institutions, mobile companies etc. share the personal data profile of a consumer without one's knowledge and at times on consideration to other agencies. As the unsolicited telephone calls invade the privacy of an individual, a demand has been raised from many quarters to include the disclosure of information given in confidence by a consumer as deficiencies in service. Taking into consideration the inconvenience caused to a consumer, the Government is considering a proposal to explicitly cover such practices as a form of deficiency in service. The Committee recommend that the Consumer Protection Act be amended in the light of above.
50.	10.23	The Committee note that Government propose to set up a Authority on the lines of USA's Consumer Product Safety Commission in order to protect the interests of consumers from various problems including the menace of counterfeit, fake, spurious and contraband products. The Committee hope and trust that such an independent authority would be set up at the earliest in the interest of the consumers.